

IN THE INTELLECTUAL PROPERTY OFFICE OF NEW ZEALAND

[2022] NZIPOTM 10

IN THE MATTER of the Trade Marks Act 2002

AND

IN THE MATTER of trade mark registration nos.
723113 FELIX, 780964



and 1002009 FELIX in
class 31 in the name of **HEINZ
WATTIE'S LIMITED**

Owner

AND

IN THE MATTER of applications for revocation on the
grounds of non-use by **SOCIÉTÉ
DES PRODUITS NESTLÉ S.A.**

Applicant

Hearing on 10-11 March 2022

Jane Glover, Kate Andean, and Vina Ngo for the applicant for revocation


Clive Elliott QC and Anne Makrigiorgos for the owner

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Introduction

1. These proceedings relate to three trade mark registrations owned by Heinz Wattie's Limited (**Owner**):

Number	Mark	Goods
723113	FELIX	Foodstuffs for animals; petfoods.
780964		Food for animals; pet food.
1002009	FELIX	Grains and agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds; natural plants and flowers; foodstuffs for animals, malt; pet foods.

(Registrations)

2. These proceedings are governed by the Trade Marks Act 2002 (**Act**) and the Trade Marks Regulations 2003 (**Regulations**). Unless otherwise specified, references to sections and regulations refer to the Act and Regulations respectively.
3. Société des Produits Nestlé S.A. (**Applicant**) is the owner of International Registration 428212 for the mark FELIX in classes 5 and 31 (**International Registration**). On 13 September 2017 (**Application Date**), the Applicant filed a subsequent designation of New Zealand in class 31 in respect of "Food substances for animals; preparations for mixing with foodstuffs for animals." (**Applicant's Goods**). This was assigned New Zealand trade mark number 1080398 (**Application**).
4. The Application was examined, and the Registrations were cited as a barrier to registration under s 25(1).¹

¹ Provisional Refusal dated 22 November 2017.

5. On 17 September 2019, the Applicant filed applications for revocation of each of the Registrations (**Revocation Applications**). The Revocation Applications contain equivalent pleadings in respect of each of the Registrations.
6. On 13 November 2019, the Owner filed counterstatements to the Revocation Applications (**Counterstatements**). The Counterstatements contain equivalent pleadings in respect of each of the Registrations and Revocation Applications.
7. In support of the Registrations, the Owner filed:
 - Affidavit of Roderick John Brodie dated 15 February 2020 (**Brodie Affidavit**). Professor Brodie is a Professor in the Department of Marketing at the University of Auckland.² He provides evidence of his qualifications and experience, and agrees to abide by the Code of Conduct for expert witnesses (Schedule 4 of the High Court Rules).³
 - Statutory Declaration of Anne Shuttleworth dated 26 February 2020 (**Shuttleworth Declaration**). Ms Shuttleworth has been the Trade Mark Manager in the Legal Department of the Owner since 2001.⁴ She is authorised to make her declaration on behalf of the Owner, and makes her declaration from her personal knowledge, records and files of the Owner, and also as a result of enquiries that have been made of employees and officers of the Owner.⁵
8. In support of the Revocation Applications, the Applicant has filed:
 - Statutory Declaration of Andrea Cannon dated 17 November 2020 (**Cannon Declaration**). Ms Cannon has been a Senior Attorney of the Applicant since 2012.⁶ She is authorised to make her declaration on behalf of the Nestlé group of companies, which includes the Applicant, and makes her declaration from her personal knowledge and the records of Nestlé.⁷

² Brodie Affidavit, paragraph 1.

³ Brodie Affidavit, paragraphs 1 to 12, Exhibits RJB-1 and RJB-2.

⁴ Shuttleworth Declaration, paragraph 1.

⁵ Shuttleworth Declaration, paragraph 3.

⁶ Cannon Declaration, paragraphs 1 and 2.

⁷ Cannon Declaration, paragraphs 3 and 4.

9. The Owner did not file any evidence in reply. This ended the evidence phase of these proceedings.
10. The parties requested consolidation of the three sets of proceedings on the basis that the evidence and issues on each are the same. The matters have been consolidated, heard, and considered together.
11. Written submissions were filed, and counsel for both parties were heard by video link on 10 and 11 March 2022.
12. In preparing this decision, I have carefully considered the entire contents of the Revocation Applications, Counterstatements, the Brodie Affidavit, the Shuttleworth Declaration, and the Cannon Declaration, as well as the Applicant's Submissions, Owner's Submissions, and the oral arguments of counsel at the hearing. I have not summarised these, but instead refer to these materials only where they are relevant to the issues raised. This is not to indicate that I have not considered them in their entirety.

Issues in these proceedings

13. The Applicant claims the Owner has not made genuine use of its marks in New Zealand, in relation to the goods listed in the specification, for a continuous period of three years up to the date one month before the date of the Revocation Applications.⁸ The Owner denies and puts the Applicant to the proof of these claims.⁹
14. There are grounds for revocation under s 66(1)(a) if:

at no time during a continuous period of 3 years or more was the trade mark put to genuine use in the course of trade in New Zealand, by the owner for the time being, in relation to goods or services in respect of which it is registered.
15. The relevant period to consider is **17 August 2016 to 17 August 2019 (Relevant Period)**.¹⁰
16. From the pleadings and submissions of the parties, I have identified the following questions that need to be answered:

⁸ Revocation Applications, paragraph 2.1 to 2.2.

⁹ Counterstatements, paragraph 6.

¹⁰ Applicant's Submissions, paragraph 21.

- Is the Applicant an aggrieved person?
- What use has the Owner made of each of its marks during the Relevant Period?
- Is that use in relation to the goods for which each mark is registered?
- Is that use “genuine use”?
- What is a fair specification of goods?

Onus and Standard of Proof

17. The evidential burden may shift during proceedings.¹¹ The onus is on the Applicant to establish its standing as an aggrieved person.

18. Section 67 provides:

Onus of proof for revocation of registration of trade mark for non-use

If an owner or a licensee intends to oppose an application for the revocation of the registration of a trade mark under section 66(1)(a), the owner or the licensee must, within the period specified by the Commissioner or the court,—

(a) provide proof of the use of the trade mark if the ground in section 66(1)(a) forms the basis for the application; or

(b) raise the special circumstances that justify the non-use of the trade mark if section 66(2) applies.

19. The onus is therefore on the Owner to prove use of the marks.¹²

20. The question of whether the use established by the Owner is “genuine use” is one situation where the onus can shift:¹³

...if, for example, the applicant for revocation were to accept that the proprietor’s evidence showed use of the trade mark but to contend that the use was not genuine because it was purely for the purpose of preserving the registration, then the evidential burden of showing

¹¹ *Pan World Brands Ltd v Tripp Ltd* [2008] RPC 2 [**Pan World**] at [24], applied for example in *Spiritual & Personal Growth Trust v Jeunesse Global Holdings, LLC* [2018] NZIPOTM 15 [**Spiritual**] at [21].

¹² I note when considering older cases this onus is a reversal of the situation under the previous law in the Trade Marks Act 1953 and its UK equivalent the Trade Marks Act 1938 (UK), under which the applicant for revocation was required to establish a *prima facie* case the mark had not been used.

¹³ *Pan World* above n 11 at [24], applied for example in *Spiritual* above n 11 at [21].

that that was the case would lie upon the applicant (although the applicant might be able to discharge that burden by relying upon the proprietor's own evidence). Finally, once the evidence is complete, the tribunal should not decide whether there has been genuine use, or proper reasons for non-use, purely on the basis that the party bearing the burden of proof has not discharged that burden unless it cannot reasonably make a finding in relation to that issue despite having striven to do so.

21. The standard of proof is the ordinary civil standard of the balance of probabilities.¹⁴

Aggrieved Person

22. An application for revocation of registration of a trade mark may only be brought by "an aggrieved person".¹⁵
23. The Applicant claims to be aggrieved because the Registrations have been cited as a barrier to its Application proceeding to registration,¹⁶ and because it proposes to use the trade mark FELIX in New Zealand on or in relation to the Applicant's Goods.¹⁷
24. It has long been accepted that the inability to register a trade mark due to the citation of a registration in a compliance report is sufficient legal or practical disadvantage to support a finding that an applicant is "aggrieved".¹⁸
25. The evidence of the register and IPONZ records relating to the Application are sufficient to support a finding that the Applicant is an aggrieved person. I further note the filing of the Application is evidence of the Applicant's intention to use the mark FELIX in New Zealand in respect of the Applicant's Goods.¹⁹
26. In its Counterstatement, the Owner denied the Applicant is an aggrieved person.²⁰ However, the Owner advised in its written submissions that it does not press its position on standing.²¹ This is an appropriate concession.
27. I find the Applicant is an aggrieved person.

¹⁴ *Pan World* above n 11 at [29]; *Sambbasivam v Chetty* [2011] NZHC 489; (2011) 94 IPR 214 (HC) at [50].

¹⁵ Section 65(1).

¹⁶ Revocation Applications, paragraphs 1.2 and 1.3.

¹⁷ Revocation Applications, paragraph 1.4.

¹⁸ Recent examples can be found in *Nitro AG v Nitro Circus IP Holdings LP* [2020] NZIPOTM 23 at [10] to [18], *Haydn Brush Company Ltd v The Warehouse Limited* [2021] NZIPOTM 30 [**Haydn Brush**] at [15] to [17], and *Best Health Products Limited v Rite Bite Health Pty Ltd* [2021] NZIPOTM 37 at [7] to [50].

¹⁹ *Monster Energy Company v Ox Group Global Pty Limited* [2017] NZHC 2393 at [54].

²⁰ Counterstatements, paragraphs 1 to 5.


²¹ Owner's Submissions, paragraph 11.

28. Each of the parties has made submissions regarding costs in respect of the aggrieved person point, which I take into account in my decision regarding costs below.

Use by the Owner During the Relevant Period

29. The Owner's evidence of use is found in the Shuttleworth Declaration. This gives details of two different types of use of the marks: on packaging and on a website.²²



30. Use of the stylised form  is also use of the word mark FELIX,²³ so any use of the stylised form is use of all the marks covered by the Registrations. I therefore refer to use of the stylised form as use of the marks.

Packaging

31. The Owner has displayed the marks on cat food packaging used since September 2017. The cat food packaging artwork was approved by the Owner on 22 June 2017 and finalized by the packaging designers on 30 June 2017.²⁴

²² Although Ms Shuttleworth states at paragraph 12 the marks are also used in "advertisements (retailer promotions)", no supporting details or examples are provided, and I give this bare assertion no weight. Furthermore, there is no evidence that the use of the marks in any retailer promotions was subject to the control of the Owner, as required by s 7(2) for third party use to count as use by the Owner.

²³ Section 7(3) The use of the whole of a registered trade mark [the stylised mark] is also a use of any registered component part of a trade mark [the word mark] registered in the name of the same owner.

²⁴ Shuttleworth Declaration, paragraph 12.

32. The marks are shown on the front of the packaging as in the bottom left corner of the following example:²⁵



33. I note that the stylised form in which the marks appear on the front of the packaging

Felix

is not identical to Registration 780964 . However, I consider this to be use in a form differing in elements that do not alter the distinctive character of the trade mark in the form in which it was registered.²⁶

²⁵ Shuttleworth Declaration, Annexure AS-4.

²⁶ Section 7(1)(a), and applying the test discussed in *Crocodile* above n. 35 at [29] to [37].

34. The marks can be more clearly seen on the back of the packaging as in the following example:²⁷



35. The marks also appear on the bottom of the packaging as in the following example:²⁸



36. The marks were used on packaging for multi-packs of Beef Lovers and Variety Lovers cat food.²⁹ These products were sold during the Relevant Period to various supermarkets owned by both Foodstuffs and Woolworths, and in locations across both Te Ika-a-Māui and Te Waipounamu.³⁰ Ms Shuttleworth provides details of the number of units of each product shipped, the dollar value of those sales, and examples of redacted invoices from the Owner to its retailers with dates in the Relevant Period.³¹

²⁷ Shuttleworth Declaration, Annexure AS-4.

²⁸ Shuttleworth Declaration, Annexure AS-4.

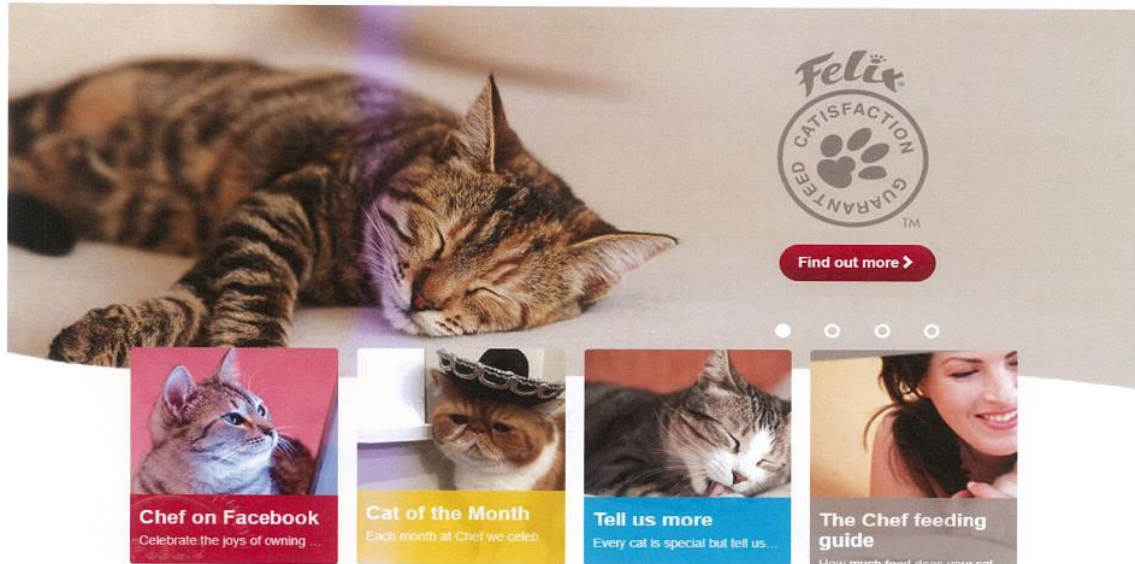
²⁹ Shuttleworth Declaration, paragraph 12.

³⁰ Shuttleworth Declaration, paragraphs 13 to 15.

³¹ Shuttleworth Declaration, paragraphs 13 to 15, and Annexure AS-5.

Website

37. The Owner has used the marks on its website www.catspreferchef.co.nz (**Website**). For example:³²



38. Within the Relevant Period, the “Products” page of the Website included:³³

Catisfaction Guarantee

Felix is so sure that your cat will love our tasty products that if you are in any way dissatisfied with the quality of Chef® cat food products, we will fully refund your purchase price. See packaging for further information.

It's Felix® the cats' 'Catisfaction guarantee'.



39. Ms Shuttleworth’s evidence is that the home page of the Website was first updated to display the FELIX mark in September 2017.³⁴

40. The Owner has not provided any website analytics or visitor numbers for the Website.

41. I note that the stylised form in which the marks appear on the Website:



is not identical to Registration 780964



³² Shuttleworth Declaration, Annexure AS-6, which is a Wayback Machine record dated 10 October 2017.

³³ Shuttleworth Declaration, Annexure AS-8 includes multiple Wayback Machine records for this page at various dates within the Relevant Period.


³⁴ Shuttleworth Declaration, paragraphs 17 to 18.

42. However, I consider this to be use in a form differing in elements that do not alter the distinctive character of the trade mark in the form in which it was registered,³⁵ and at the hearing Ms Glover confirmed the Applicant accepts this (to the extent to which it is “use”) as being use of the registered mark.
43. There is no evidence the Owner sells any products through the Website.

Are the Marks Used in Relation to the Goods, or in Relation to Services?

44. The Owner accepts it has not used FELIX in relation to the following goods listed in Registration 1002009:³⁶
- Grains and agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds; natural plants and flowers; malt.
45. Registration 1002009 must be partially revoked in respect of these goods.³⁷
46. The Applicant submits that to the extent the marks have been used, that use is in relation to quality control services, or certification/guarantee services, not cat food products.³⁸ This is because the only evidence of use of the mark is in connection with the “Catisfaction Guarantee”.³⁹
47. The Applicant refers to the evidence of Ms Shuttleworth that:⁴⁰



The FELIX and  trade marks were introduced by [the Owner] on cat food in conjunction with the Catisfaction Guarantee phrase and mark into the New Zealand market in September 2017 as an endorsement and guarantee of the quality of [the Owner’s] cat food “one cat namely FELIX to other cats”. It is Felix’s guarantee of satisfaction to all cats.

48. The Applicant submits the “Felix” guarantee is provided in relation to “Chef” products, that there is a clear distinction between the respective purposes of the two marks, and “Felix” is not being used as a sub-brand of “Chef” products.⁴¹ Ms Glover submitted the wording on the Website serves to distance the mark Felix

³⁵ Section 7(1)(a), and applying the test discussed in *Crocodile International Pte Ltd v Lacoste* [2017] NZSC 14 [**Crocodile**] at [29] to [37].

³⁶ Owner’s Submission, paragraph 12.

³⁷ Section 68(1).

³⁸ Applicant’s Submissions, paragraph 39.

³⁹ See, for example, paragraph 38 above.

⁴⁰ Shuttleworth Declaration, paragraph 20.

⁴¹ Applicant’s Submissions, paragraph 41.

from the goods, by differentiating the Felix refund services from the goods sold as Chef goods.

49. The Owner does not appear to be offering any goods or services via the Website at all. The Website does not offer to sell cat food. It does not appear to include means to seek a refund under the “Catisfaction guarantee”,⁴² as the wording on the Product page directs customers to “see packaging for further details”.⁴³ The packaging provides on the bottom panel a phone number and PO Box for contact “if you are dissatisfied with this product in any way.”⁴⁴ The Website appears to do nothing more than provide information. However, I note use of a trade mark on an informational website may be use of a trade mark in relation to goods, even though the goods are not sold through that website.⁴⁵
50. European case law expressly recognises that a trade mark can serve subsidiary functions in addition to its essential function of guaranteeing to consumers the origin of the goods or services. These other functions may include communication, investment, or advertising, or guaranteeing the quality of the goods or services in question.⁴⁶
51. It has been noted (albeit in respect of a different statutory test):⁴⁷
- ... a quality mark which is peculiar to one manufacturer ... necessarily denotes a particular quality of the goods of that particular manufacturer, and therefore necessarily denotes origin, and is therefore necessarily used upon or in connection with goods not only as a quality mark but also for the purpose of indicating that the goods are the goods of the proprietor of the mark.
52. A sign may fulfil more than one function.⁴⁸ The extent to which the use of the marks performs its primary function of indicating the origin of the cat food is discussed in greater detail below,⁴⁹ but I am satisfied it can perform the secondary function of

⁴² The Website does appear to have a “Contact Us” page, but the contents of that page are not in evidence. It is not clear whether it provides means for communication, such as an online form, or merely contact details, such as the phone number and PO Box listed as means for communication on the bottom panel of the box.

⁴³ Shuttleworth Declaration, Annexure AS-8.

⁴⁴ Shuttleworth Declaration, Annexure AS-4.

⁴⁵ See ss 6 and 7, and for example in *Tasman Insulation New Zealand Ltd v Knauf Insulation Ltd* [2014] NZHC 960 [**Tasman HC**] at [55]-[56] and [186] to [188].

⁴⁶ *Kerly's Law of Trade Marks and Trade Names* 16th Ed. 2022 Sweet & Maxwell [**Kerly**] at 2-010, citing *L'Oréal v Bellure* (C-487/07) EU:C:2009:378 at [58].

⁴⁷ *Bass, Ratcliff and Gretton Ltd v Nicholson and Sons Ltd* [1932] HL (E) AC 130 at 151.

⁴⁸ *The Coca-Cola Company v Frucor Soft Drinks Ltd* [2013] NZHC 3282 at [133]. See also *Re Johnson and Johnson Australia Pty Limited v Sterling Pharmaceuticals Pty Limited* [1991] FCA 310, (1991) ALR 700 at paragraphs [21] to [22] and [44] of Gummow J.

⁴⁹ Below, paragraphs 81 to 87.

guaranteeing the quality of the goods in question without becoming a mark used in respect of quality control services.

53. I do not consider the way in which the marks are used suggests the holder of the “Felix” brand is providing quality control, certification, or guarantee services. It conveys the impression the quality of the cat food is good enough to be endorsed by “Felix the Cat”. The use of fictional characters as a marketing device is not uncommon, and the character of Felix the Cat is simply an element of the brand story of the CHEF cat food. I do not consider the marks would be taken as indicating an actual approval process is taking place (whether by Felix the Cat, or by the Owner).
54. I find the Owner’s use of the marks is in respect of goods consisting of wet cat food, which is a subset of the goods covered by the Registrations. There is no evidence of use in respect of food for any other animals, whether household pets, other domesticated animals, or wild animals.

Is the Use Genuine?

55. The Applicant argues the Owner’s use of the marks does not qualify as “genuine use”, because it was tactical and not genuine, and was designed only to maintain the Registrations.⁵⁰

Preliminary Point: Jurisdiction

56. The Owner submits that it is not part of the Assistant Commissioner’s role, in a non-use application like this, to embark upon an inquiry as to whether the trade mark was being used to distinguish the Owner’s goods; it is only to determine whether the mark as registered has been used on the relevant goods in the relevant period.⁵¹
57. As support for this proposition, the Owner relied on the Canadian decision *United Grain Growers Ltd v Lang Michener*,⁵² in which it was held the Registrar’s only duty was to determine whether the trade mark had been used, and the Registrar’s consideration of whether the use distinguished the goods was an error of law.⁵³

⁵⁰ Applicant’s Submissions, paragraph 14.

⁵¹ Owner’s Submissions, paragraph 53.

⁵² *United Grain Growers Ltd v Lang Michener*, 2001 FCA 66 (CanLII), [2001] 3 FC 102 [**United Grain**].

⁵³ At [14].

58. The Canadian non-use provision at issue in that case requires the owner to file evidence showing whether the trade-mark was in use in Canada during the relevant period with respect to each of the wares.⁵⁴ No words in the section direct the Registrar to re-examine whether the trade-mark is used for the purpose of distinguishing wares.⁵⁵ Furthermore, with respect to that section, it is not intended that there should be any trial of a contested issue of fact, but simply an opportunity for the owner to show the mark is in use.⁵⁶ The proceedings are of a summary nature.⁵⁷
59. The requirements of section 66(1)(a) of the Act are different to the Canadian provision. Unlike in Canada, here the requirement is to establish “genuine use”, and the proceedings may be fully contested.⁵⁸ I therefore consider the Canadian decision is not persuasive and may be distinguished based on the difference in the wording of the relevant statutes.
60. I consider the Act requires me to determine whether the established use has not merely occurred, but is “genuine”, and it is appropriate to proceed with this inquiry.

What is “Genuine Use”?

61. The New Zealand courts have taken guidance from European decisions, where “genuine use” is also required.⁵⁹ The principles of the leading cases of *Ansul BV v*

⁵⁴ Section 45(1) Trade-marks Act 1985 (CA):

The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-- mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the wares or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.

⁵⁵ *United Grain* above n. 52 at [14].

⁵⁶ At [16], citing *Meredith & Finlayson v Canada (Registrar of Trade Marks)* (1991) 40 CPR (3d) 409, at 412.

⁵⁷ *Cosmetic Warriors Ltd v Riches, McKenzie & Herbert LLP* (2019) FCA 48 at [22]. The Act allows each party to file written representations, but only the Owner is permitted to file evidence. - Section 45 Trademarks Act 1985 (CA), Regulations 67 to 74 SOR/2018-227 Trademarks Regulations. There is no ability to cross-examine - CIPO Published Practice <https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04572.html#toc5>.

⁵⁸ Sections 65-68, 160, Regulations 26 to 35C, 94 to 105, 122 to 128.

⁵⁹ Article 10 Trade Marks Directive 89/104:

If, within a period of five years following the date of the completion of the registration procedure, the proprietor has not put the trade mark to genuine use in the Member State in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the trade mark shall be subject to the sanctions provided for in this Directive, unless there are proper reasons for non-use.’

*Ajax Brandbeveiliging BV*⁶⁰ (***Ansul***) and *La Mer Technology Inc v Laboratoires Goemar SA*⁶¹ (***La Mer***) have been applied by the New Zealand High Court:⁶²

[14] ... The following principles can be distilled from *Ansul*:

(a) “Genuine use” should be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

(b) “Genuine use” of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability *vis-à-vis* third parties cannot continue to operate if the mark loses its commercial *raison d’être*, which is to create or preserve an outlet for the goods or services that bears the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark therefore has to relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers were under way, particularly in the form of advertising campaigns. Such use can be either by the trade mark proprietor or by a third party with authority to use the mark.

(c) When assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real. This may involve consideration of whether the use in question is warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

(d) Assessing the circumstances of the case can include giving consideration to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark does not always have to be quantitatively significant for it to be deemed genuine, as that depends on the characteristics and market of the goods or service in question.

...

[16] As the English Court of Appeal explained in [*La Mer*], however, the rulings of the European Court of Justice need to be considered in a wider context. They are not the same as the judgments of national courts that decide cases from which it is possible to discern a

⁶⁰ *Ansul BV v Ajax Brand Beveiliging BV* [2003] EUECJ C-40/01, [2003] RPC 40 [***Ansul***].

⁶¹ *La Mer Technology Inc v Laboratoires Goemar SA* [2005] EWCA Civ 978, [2006] FSR 5 [***La Mer***].

⁶² *Metalman New Zealand Ltd v Scrapman BOP Ltd* [2014] NZHC 2028 [***Metalman***] (citations omitted).

ratio. Rather, the Court's rulings contribute to a body of jurisprudence relating to the interpretation of European Community legislation. This process differs from the common law method of building up a body of case law from binding precedents. The Court does not decide the cases coming before it. Rather, "its judgments are part of a continuing conversation between the Court of Justice and national courts", in which the legal learning generated by the process "flows...from the Court of Justice into the national courts of Member States". For that reason the judgments of the Court of Justice should not be read or applied too literally. They are, nevertheless, persuasive authorities.

62. The New Zealand High Court has continued to follow European developments:⁶³

[45] In *Pasticceria e Confetteri Sant Ambroeus SRL v G & D Restaurant Associates Ltd*, the European Court of Justice summarised the "legal learning" that flows from earlier decisions of that Court and the UK Court of Appeal on the meaning of "genuine use":

(a) Genuine use means actual use by the proprietor or a third party with authority to use the mark;

(b) The use must be more than merely "token", which means in this context that it must not serve solely to preserve the rights conferred by the registration;

(c) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods and services to the end-user by enabling the end-user, without any possibility of confusion, to distinguish the goods and services from others which have another origin;

(d) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods and services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods and services, or a share in that market;

(i) An example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns;

(ii) Examples that do not meet this criterion:

1. Internal use by the proprietor;

2. The distribution of promotional items as a reward for the purchase of other goods and services to encourage the sale of the latter;

(e) All the relevant facts and circumstances must be taken into account in determining whether there is a real commercial exploitation of the mark, including, in particular, the

⁶³ *Target Australia Pty Ltd v Target New Zealand Ltd* [2019] NZHC 923 [**Target**] (citations omitted).

nature of the goods and services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide;

(f) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor.

63. In the present case, I therefore consider:

- What is the correct perspective?
- What are all the relevant facts and circumstances?
- Is the use consistent with the essential function of a trade mark?
- Has there been real commercial exploitation of the marks?
- Is the use “token”?

Objective or Subjective Perspective?

64. Mr Elliott referred me to a passage from the *LexisNexis* text on *Intellectual Property Law* that queries to what extent, if at all, subjective factors (such as the owner’s intention) are relevant.⁶⁴

65. Ms Glover argued the test of whether use is genuine is not the consumer view, but the motivations of the Owner, and that I should not “close my eyes” to what the marks are doing on the packaging and the Website. She submitted this is an appropriate case to look behind the mere fact of use to the reasons for use. There is no authority suggesting there has been any significant change from the previous requirement to establish *bona fide* use.⁶⁵

⁶⁴ *Intellectual Property Law*, LexisNexis NZ Ltd, loose-leaf [**LexisNexis**] at 903.471.

⁶⁵ Section 35(1) Trade Marks Act 1953. Consistent with this submission, the authors of *Intellectual Property Law in New Zealand*, Westlaw, online edition at 35.7.16.6(1)(d) also suggest that the law relating to *bona fide* use of a registered trade mark should continue in relation to the requirement that the trade mark be put to genuine use within the relevant period.

66. Mr Elliott submitted the test has moved from a primarily subjective assessment of *bona fide* to a primarily objective assessment under the test in *Ansul*. He submitted the subjective intention of the proprietor, or the state of the owner's mind, are not relevant, because the test for whether use is "genuine" is objective, not subjective, and this represents a change in emphasis. He submitted whether the mark is serving the purpose of a trade mark to distinguish the wares should be determined in an objective sense through the eyes of the consumer.
67. He referred to *Ansul*, which describes token use as "serving solely to preserve the rights conferred by the mark".⁶⁶ This may be read as indicating it is the function the mark objectively serves in practice that is important, rather than the subjectively intended purpose.⁶⁷
68. Mr Elliott referred me to comments in *Shanahan* that whether a sign is used as a trade mark is to be judged objectively,⁶⁸ and from Jacob J.⁶⁹

As a matter of commerce small sales are nonetheless sales under and so uses of the mark. The objective observing trader or consumer would say so. The absence of any purpose, other than trying to sell goods under the mark, would lead him to the conclusion that the uses were genuine.

69. I think this particular quote cuts both ways, because although the perspective is that of the objective observing trader or consumer, it does suggest to me that the purpose of the seller is relevant.
70. In the New Zealand case of *Metalman New Zealand Ltd v Scrapman BOP Ltd*, Lang J stated:⁷⁰

Although determination of whether there has been genuine use is an objective process, the objectively assessed intention of the user will often be an important indicator as to whether a particular use is genuine in this context. The owner's intention must be directed to the object of using the trade mark in the course of trade as a badge of origin for the goods or services in respect of which the trade mark was granted. That is why internal use of a trade

⁶⁶ *Ansul* above n. 60 at [36].

⁶⁷ Decisions of the ECJ should not be read or applied too literally, and it is unclear whether the original Dutch makes this distinction when it speaks of "symbolisch gebruik dat enkel ertoe strekt de aan het merk verbonden rechten te behouden".

⁶⁸ *Shanahan's Australian Law of Trade Marks and Passing Off* (5th edition) Thomson Reuters at [5.2010].

⁶⁹ *Laboratoires Goemar SA v La Mer Technology Inc* [2001] EWHC 492 (Ch) (also reported as *Laboratoire de la Mer Trade Marks* [2002] FSR 51) [*La Mer HC*] at [30].

⁷⁰ *Metalman* above n. 62 at [30].

mark and the use of a trade mark solely to protect its registration are insufficient to meet the statutory test. Neither of those types of use is directed to the required object.

71. In that case there was no evidence as to why the owner chose to place the advertisement (this being the use relied on) when it did, or as to why the advertisement was not used on more occasions. The applicant did not argue the advertisement was placed for the sole purpose of protecting the trade mark from an application for revocation on the grounds of non-use, and there was no evidence suggesting the advertiser had an ulterior motive.
72. Inferences as to intention can be drawn from an objective consideration of the manner of use. I do not consider Lang J's comment prohibits me also taking into account direct evidence as to the subjective intention of the Owner where such evidence is available.
73. The authors of *LexisNexis* concluded that:⁷¹
- No doubt the test for "genuine use" is largely objective but subjective aspects (objectively assessed) may arise in determining if use by an owner is a sham and intended only to preserve the mark or is for the purpose of genuine trade.
74. This seems correct as a matter both of legal principle and following the case law.
75. I therefore take into account the evidence relating to the subjective intention of the Owner as part of the objective consideration of "all the relevant facts and circumstances" I am called upon to undertake.⁷²

Relevant Facts and Circumstances

76. In 1955, the trade mark FELIX was registered by a predecessor in title of the Owner in respect of canned cat food.⁷³ The registration (by that stage owned by the Owner) was removed from the register on 4 March 2003 following issue of a High Court judgment, on grounds of non-use.⁷⁴ It was submitted for the Applicant this previous removal is relevant, because the Owner was therefore aware of the legal requirement that genuine use of the marks is required to maintain its Registrations. The Owner submits the earlier decision should have little if any bearing on the

⁷¹ *LexisNexis* above n. 64 at 903,473.

⁷² *Ansul* above n. 60 at [38].

⁷³ NZ TM 56330.

⁷⁴ *Friskies Ltd v Heinz-Wattie Ltd* AP 195/02, HC Wellington, Ronald Young J, 13 December 2002.

present situation.⁷⁵ I consider the previous registration and removal are relevant background.

77. Timing may be a relevant consideration. I take into account:

- The Owner's previous registration 56330 was removed from the register on 4 March 2003.
- Registration 723113 was filed on 20 December 2004; and the earliest date on which it could have been challenged for non-use is 8 July 2008.
- Registration 780964 was filed on 7 December 2007; and the earliest date on which it could have been challenged for non-use is 12 June 2011.
- Registration 1002009 was filed on 24 July 2014; and the earliest date on which it could have been challenged for non-use is 28 January 2018.
- The Owner's packaging proofs were approved on 30 June 2017.⁷⁶
- The Applicant filed its Application for protection in New Zealand on the Application Date of 13 September 2017.
- The Owner started selling products in packaging bearing the marks in September 2017.⁷⁷
- The Owner used the marks on its Website from at least 19 October 2017.⁷⁸
- The Revocation Applications were filed on 13 September 2019, none of the Registrations having been challenged by the Applicant before this.

78. Ms Shuttleworth provides some insight into the Owner's subjective intentions when she states:⁷⁹

FELIX has long been and today remains an important trade mark for [the Owner] and it retains considerable brand equity, which the company wishes to maintain.

⁷⁵ Owner's Submissions, paragraph 22(c).

⁷⁶ Shuttleworth Declaration, paragraph 12, Annexure AS-4.

⁷⁷ Shuttleworth Declaration, paragraph 12, Annexure AS-5.

⁷⁸ Shuttleworth Declaration, Annexure AS-8.

⁷⁹ Shuttleworth Declaration, paragraph 16. This evidence is not challenged by the Applicant.

79. She explains the Website was updated in or around September 2017 so that (emphasis added):⁸⁰

1. the new packaging of the Beef Lovers and Variety Lovers multi-packs cat food was displayed (consistent with our wish to maintain and protect the considerable brand equity in the FELIX brand property); and
2. the home banner and footer of the Products page of the web site displayed the



trade mark.

80. Additional factors I consider relevant are:

- As well as the marks, the packaging carries other trade marks and brand elements, including the word CHEF, the colour red, and the “catisfaction guarantee” pawprint device.⁸¹
- The Owner uses the marks on the front of its boxes in a dark red on a bright red background.⁸² There is a low level of contrast between these two colours. (At one point in the hearing, Mr Elliott referred to this use as a “watermark”, which may be a fair description of its level of prominence.)
- The Owner uses the marks on the back and bottom of its boxes on a brown or bright red background.⁸³ There is a high level of contrast between the marks and the background.
- The Owner uses the marks on its Website in a dark grey or brown colour on an essentially white background.⁸⁴ There is a high level of contrast between the marks and the background.
- The Owner uses the word marks in text on its Website both with and without the ® symbol.⁸⁵

⁸⁰ Shuttleworth Declaration, paragraph 17. As noted in the Applicant's Submissions, paragraph 35, no copies of any of the correspondence with the web agency are provided to support these comments about the desired effect of the changes.

⁸¹ Shuttleworth Declaration, Annexure AS-4.

⁸² Shuttleworth Declaration, Annexure AS-4. See paragraph 32 above.

⁸³ Shuttleworth Declaration, Annexure AS-4. See paragraphs 34 and 35 above.

⁸⁴ Shuttleworth Declaration, Annexure AS-8. See paragraphs 37 and 38 above.

⁸⁵ Shuttleworth Declaration, Annexure AS-8. See paragraph 38 above.

- The Owner uses the marks on the packaging of only two of its products, out of at least 11 that are sold in similar boxes, and a total range of about 50 products.⁸⁶
- The total value of sales of those two products during the Relevant Period is in the order of \$3 million.⁸⁷ There is no evidence as to the value of sales of other Chef products during the same period, or of the overall market.
- Ms Shuttleworth gives evidence the Owner is in the process of refreshing its labelling to include the marks on all packaging of cat food.⁸⁸
- The use on the Website is not limited to any particular products in the Owner's range.
- There is no evidence the Owner has used the marks in any advertising.
- There is no evidence the Owner has used the marks in any social media.
- Neither party has provided any evidence from anyone involved in the pet food trade as to whether the manner and extent of the Owner's use is viewed as warranted in the economic sector concerned.

Use Consistent with the Essential Function of a Trade Mark

81. Mr Elliott submitted the requirement that use be genuine is interlinked with the requirement that the use be in the course of trade (also a requirement of s 66, and not in dispute in this case), as well as with the concept of use "as a trade mark", which is part of the test for infringement.⁸⁹ I consider this accords with the requirement in *Ansul* that use be consistent with the essential purpose of a trade mark.⁹⁰
82. Whether, in all the circumstances, the marks are likely to be taken by a significant number of prospective users as having trade mark significance is to be determined

⁸⁶ Shuttleworth Declaration, paragraph 12, Annexure AS-4.

⁸⁷ Shuttleworth Declaration, paragraph 13.

⁸⁸ Shuttleworth Declaration, paragraph 19. Some time was spent at the hearing analysing this part of Ms Shuttleworth's evidence, which is unchallenged. I consider the lack of detail regarding timing and supporting documentation such as design briefings go to the weight I can give her statements about the steps taken.

⁸⁹ Section 89(2), as discussed in *Freightways Express Ltd v Palletline (NZ) Ltd* [2015] NZHC 740 [*Freightways*] at [9] and [11].

⁹⁰ *Ansul* above n. 60 at [36].

objectively and is a matter of impression.⁹¹ Consideration of the totality of the packaging, including the way in which the words are displayed in relation to the goods and the existence on a label of a clear and dominant brand, are relevant in determining the purpose and nature of the marks.⁹²

83. The essential function of a trade mark is to guarantee the identity of the origin of the goods and services to the end-user.⁹³ Use by the Owner which does not fulfil this essential function is not genuine use, even if it fulfils a secondary purpose.⁹⁴ Mr Elliott submitted this analysis is very significantly objective.
84. Ms Glover submitted the Owner's products would be referred to as "Chef cat food", not "Felix cat food". There is no evidence of use of the marks other than with the mark CHEF. However, it is well recognised that secondary and even tertiary trade marks may be used together with a primary brand, without any of the marks losing their ability to distinguish the goods of one trader from another.⁹⁵ Professor Brodie gives evidence that the use of two or more brands to support the overall brand strategy of a company is a common practice in modern fast moving consumer goods marketing.⁹⁶
85. The presentation of marks in a way that distinguishes them from the surrounding text may indicate to consumers that they have a special quality as badges of origin.⁹⁷ In this case the ® symbol is used as a distinguishing presentation alongside the marks on the packaging and the Website (at least some of the time).
86. I consider a customer looking for the cat food endorsed by the Felix persona would be able to locate the appropriate box on the supermarket shelf by virtue of the markings on that box. Likewise, a visitor to the Website would have no trouble identifying that the marks are associated with the Owner's cat food. The fact the primary brand is CHEF cat food does not prevent the marks also serving as a means of identifying the Owner's goods.

⁹¹ *Tasman Insulation New Zealand Ltd v Knauf Insulation Ltd* [2015] NZCA 602, [2016] 3 NZLR 145 at [167].

⁹² At [163].

⁹³ *Pasticceria é Confetteri Sant Ambroeus SRL v G & D Restaurant Associates Ltd* [2010] RPC 28 [**Pasticceria**] at [30], paraphrasing from *Ansul* above n. 60 at [36].

⁹⁴ *Kerly* above n. 46 at 2-013.

⁹⁵ See *Tasman HC* above n. 45 at [80] to [81].

⁹⁶ Brodie Affidavit, paragraph 27.

⁹⁷ *Freightways* above n. 89 at [13].

87. The marks are therefore serving the essential function of distinguishing the Owner's goods from those that do not carry the marks.

Real Commercial Exploitation of the Marks

88. Genuine use must be by way of real commercial exploitation of the mark on the market for the relevant goods and services.⁹⁸

89. The Applicant submits the Owner's use of the marks was not *bona fide* as it was designed only to protect the trade mark registration.⁹⁹ It describes it as "tactical and not genuine".¹⁰⁰ The Applicant relies on:

- Historical use was discontinued many years ago.¹⁰¹
- The Owner's previous registration 56330 was revoked for non-use in 2003.¹⁰²
- The Owner did not start using the marks again until 2017.¹⁰³ There is no evidence explaining why the marks were not used for so long after registration.
- The Owner wishes to maintain its "considerable brand equity" in FELIX.¹⁰⁴
- Other branding is used on the packaging.¹⁰⁵
- The marks are displayed at the bottom of the rear of the packaging.¹⁰⁶ No details are provided as to the reasoning behind the choice of the position and colour of the marks on the packaging.

⁹⁸ *Target* above n. 63 at 45(d), citing *Pasticceria* above n. 93.

⁹⁹ Applicant's Submissions, paragraph 4a.

¹⁰⁰ Applicant's Submissions, paragraph 14.

¹⁰¹ Applicant's Submissions, paragraphs 25 to 16.

¹⁰² Applicant's Submissions, paragraphs 4a, 9 to 11, 27.

¹⁰³ Applicant's Submissions, paragraph 28a.

¹⁰⁴ Shuttleworth Declaration, paragraph 16.

¹⁰⁵ Applicant's Submissions, paragraph 28b.

¹⁰⁶ Applicant's Submissions, paragraph 6c. I have also taken into account the use of the marks on the front and bottom of the packaging.

- The Owner has used the mark on a minority of its products.¹⁰⁷ There is no evidence explaining why the marks were used for these particular products, or why the marks were not used for any other products.
 - The Applicant considers sales of the relevant products to be “modest”.¹⁰⁸
 - There is no evidence of any promotion or advertising of the FELIX brand beyond references on the Website.¹⁰⁹
 - The reason Website changes were made in 2017 was “consistent with [the Owner’s] wish to maintain and protect the considerable brand equity in the FELIX brand property”.¹¹⁰
90. Notwithstanding these facts, the Owner describes the inferences the Applicant seeks to draw as being based to a large extent on rhetoric and speculation, or supposition and inference.¹¹¹ The Applicant has not filed any evidence as to how the use of the marks by the Owner compares to what would be considered usual commercial use of a trade mark in the trade.
91. Ms Glover submitted such additional evidence is not necessary, because the standard is to apply the legal tests for “genuine use” to the evidence of Ms Shuttleworth. The Owner files its evidence first, and Ms Glover submitted the points on which there is no evidence from the Owner are significant. In particular, there is no acknowledgment in the evidence of the relevance of the commercial advantage in keeping the Applicant out of the market, or the period of non-use before 2017. There is no explanation of the basis of the decision to use the marks on the front of the box in a low contrast, or why the marks were used on the packaging of only a limited selection of products during the entire Relevant Period.
92. The Applicant particularly relies on the fact the marks have been used on only two products in the Owner’s range of 29 pouch products, and a total product range of 50 cat food products identified in the Owner’s evidence.¹¹² Ms Shuttleworth provides no explanation as to why the use of the marks is limited to these particular

¹⁰⁷ Applicant’s Submissions, paragraph 28b.

¹⁰⁸ Applicant’s Submissions, paragraph 28c.

¹⁰⁹ Applicant’s Submissions, paragraphs 29d and 38.

¹¹⁰ Applicant’s Submissions, paragraph 35, quoting Shuttleworth Declaration, paragraph 17.

¹¹¹ Owner’s Submissions, paragraph 15.

¹¹² Applicant’s Submissions, paragraph 30.

products, and the Applicant invites me to infer an intention to use the marks only to the minimum extent necessary to maintain the Registrations.

93. The Owner submits there is no principle, in marketing practice or the law, that in order to be genuine the mark has to be used on all available product formats, and instead brand owners are entitled to choose the particular product on which they use their mark.¹¹³
94. The Applicant describes the volume of sales of these two products as “modest”.¹¹⁴ There is no evidence as to what proportion of overall sales these figures represent, and the Applicant submits it is unlikely to be significant.¹¹⁵ Ms Glover invited me to reach this conclusion based on two out of 50 products not being a significant proportion of the Owner’s product range.
95. The Owner describes the sales as significant, and not modest at all.¹¹⁶ Neither party has provided any evidence as to the size of the market, against which I can compare the sales figure provided.
96. The Applicant describes the marks as being “swamped by other branding”.¹¹⁷ The use of a registered trade mark in conjunction with another registered trade mark is not disqualified from consideration as genuine use for the purposes of s 66(1)(a).¹¹⁸ Ms Glover accepted the mere presence of the other marks is not determinative. However, the Applicant submits some consumers may not notice the marks among the other, much more prominent, branding.¹¹⁹ The Owner submits there is no reason to suggest consumers will not see the FELIX branding.¹²⁰
97. The Owner submits the question of prominence need only be assessed in terms of whether the brand would be perceived by a consumer.¹²¹ As the goods at issue are ordinary consumer goods, I am entitled to take into account my own experience and reactions as a member of the public.¹²²

¹¹³ Owner’s Submissions, paragraph 23(b). There is no evidence from Professor Brodie on this point.

¹¹⁴ Applicant’s Submissions, paragraph 28c.

¹¹⁵ Applicant’s Submissions, paragraph 32.

¹¹⁶ Owner’s Submissions, paragraph 22(b).

¹¹⁷ Applicant’s Submissions, paragraph 28b.

¹¹⁸ *Tasman HC* above n. 45 at [81].

¹¹⁹ Applicant’s Submissions, paragraph 28c.

¹²⁰ Owner’s Submissions, paragraph 23(e).

¹²¹ Owner’s Submissions, paragraph 38.

¹²² *Haydn Brush* above n. 18 at [74].

98. Use of a mark on the front of the packaging is generally the most likely to attract the attention of the consumer, because this is what is visible when stalking the supermarket aisles in search of cat food. But on the Owner's packaging the marks on the front of the box are the hardest to see, because of the low contrast with the background. On the supermarket shelf, it is difficult to distinguish between those packs which display the marks on the front, and those that do not.¹²³
99. There is no rule that a mark must be prominently used on the front of packaging to function as a badge of origin, or that customers may not have to undertake some form of inquiry to discern the mark.¹²⁴ A customer who takes the trouble to pick up the box and look at the back or bottom will see the marks more clearly, as will any visitor to the Website.
100. I consider there has been commercial exploitation of the marks by their use on and in respect of goods sold in non-trivial quantities through supermarkets.

Is the Use "Token"?

101. The Applicant submits that the clear inference to be drawn on the basis of all the evidence and all the circumstances is that the use is not genuine, but rather is token use.
102. *Ansul* contrasts genuine use with use that is "token, serving solely to preserve the rights conferred by the mark."¹²⁵ Judgments of the Court of Justice should not be read or applied too literally,¹²⁶ and neither Counsel was able to point me to any case law as to the significance of the word "solely". Token use has also been

¹²³ Shuttleworth Declaration, Annexure AS-9. I note these photos relate to the packaging at 26 February 2020, which is outside the Relevant Period, but there is no suggestion the marks were more prominent during the Relevant Period. Mr Elliott urged me to make my own observations at the supermarket, but I agree with Ms Glover's submission this would not be proper. I consider such an inspection would go beyond my permitted ability to take into account my experience as a member of the relevant market, and be in the nature of gathering my own evidence. Both Ms Shuttleworth and Professor Brodie have visited the supermarkets to make observations, and I base my comments regarding the presentation of the Owner's marks on the evidence filed in these proceedings in accordance with s 160.

¹²⁴ Section 6(a) provides that the use of a sign in relation to goods is a reference to the use of the sign on, or in physical or other relation to, goods. The mark does not need to be on the goods at all. Use on the side panel of packaging on paint brushes in *Haydn Brush* above n. 18, or on a website in *Tasman HC* above n. 45, have both been found to be use of a trade mark.

¹²⁵ *Ansul* above n. 60 at [36]. In the original Dutch: "Onder normaal gebruik" moet derhalve worden verstaan een gebruik anders dan een symbolisch gebruik dat enkel ertoe strekt de aan het merk verbonden rechten te behouden." "Symbolisch" use is not sufficient.

¹²⁶ *Metalman* above n. 62 at [16], citing *La Mer* above n. 61 at [17].

described as “fictitious or colourable” use to protect registration,¹²⁷ or something done with the ulterior motive of validating the registration.¹²⁸

103. Ms Glover accepted Mr Elliott’s submission that token use amounts to use directed at adopting a defensive position with a trade mark, without any other commercial justification or interest.¹²⁹ However, she submitted that the word “genuine” in the Act must mean something, and invited me to consider whether, if the dominant purpose was to preserve the registration, having another motivation would be sufficient to render the use genuine.

104. There is no evidence explaining the period of non-use before 2017, or why the decision was made to use the marks in a low contrast on the front of the box, or on the packaging of only a limited range during the entire Relevant Period. The Applicant submits it can be inferred that use was only resumed by the Owner to prevent its competitor from using the mark FELIX in this jurisdiction.¹³⁰

105. As to this submission that the real motive is to stop the Applicant from selling competing goods, the Owner responds that is the function of two large companies competing with each other.¹³¹ In support of this, Mr Elliott referred me to a comment of the Court of Appeal that:¹³²

In the world of commerce, between vigorous international competitors, the law does not impose some equivalent of Queensberry Rules.

106. The Owner submits if the Owner’s sole intention was to resume use to gazump the Applicant’s licensee, it would have done so a lot sooner than 2017.¹³³ I do consider timing to be a generally relevant consideration,¹³⁴ but in this case there is no clear inference to be drawn from the timing of the Owner’s actions.

107. There is no explanation for why the Owner did not use the marks before 2017, when the first of the Registrations dates from 2004. However, there is no suggestion the use of the marks, once started, has been intermittent or temporary. Sales volumes and example invoices are provided for a range of dates within the Relevant

¹²⁷ *Gerber Products Co v Gerber Foods International Ltd* [2003] RPC 1 at [24] to [25].

¹²⁸ *La Mer HC* above n. 69 at [29].

¹²⁹ Owner’s Submissions, paragraph 17.

¹³⁰ Applicant’s Submissions, paragraph 28a.

¹³¹ Owner’s Submissions, paragraph 33.

¹³² *Unilever plc v Cussons (New Zealand) Pty Ltd* [1997] 1 NZLR 433 at 442.


¹³³ Owner’s Submissions, paragraph 23(a).

¹³⁴ As set out above at paragraph 77.

Period.¹³⁵ Sales do not appear to have been limited by geography or customer,¹³⁶ but only by product line. In respect of the Website, screen shots from several dates within the Relevant Period show consistent use of the marks,¹³⁷ and this use has continued after the Relevant Period.¹³⁸

108. Mr Elliott properly did not attempt to deny the commercial reality that maintaining the ability to use the monopoly granted by the Registrations to prevent the sale of competing “Felix” branded products adds to the value of this particular brand to the Owner. However, this alone is not enough to lead me to a finding that its use of the mark is “token” use. It is only one of the relevant circumstances to be taken into account. Mr Elliott submitted the fact the marks appear in multiple places on the packaging, and on both the home page and product page of the Website, indicates what is being done is not just the least amount possible to tick the legal boxes and thwart a competitor.
109. The factors relied on by the Applicant are not sufficient to convince me, on the balance of probabilities, that the Owner’s use of the marks is no more than token use solely for maintaining the Registrations.

Finding of Use

110. I find the Owner made genuine use of the marks FELIX and  in the Relevant Period in relation to wet cat food.

Scope of Fair Specification

111. Section 68(1)(b) directs that if grounds for revocation exist in respect of some of the goods in respect of which the trade mark is registered, the Commissioner must revoke the registration of the trade mark in so far as it relates to those goods.¹³⁹

¹³⁵ Shuttleworth Declaration, paragraphs 13 to 15, Annexure AS-5.

¹³⁶ This may be contrasted with the “trade mark protection programmes” criticised by Jacob J in *La Mer HC* above n. 69 at [24] to [25].

¹³⁷ Shuttleworth Declaration, Annexure AS-8.

¹³⁸ Shuttleworth Declaration, paragraph 16. Behaviour after the Relevant Period may be evidence of the genuineness of trade during the Relevant Period, as in *La Mer HC* above n. 69 at [35].

¹³⁹ Sections 66 and 68 were amended on 13 January 2020 by sections 130 and 131 of the Regulatory Systems (Economic Development) Amendment Act 2019 to clarify there is no residual discretion regarding the scope of revocation, once the grounds have been established.

112. I have already found Registration 1002009 must be partially revoked in respect of:¹⁴⁰

Grains and agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds; natural plants and flowers; malt.

113. This leaves the Registrations as covering respectively:

- Foodstuffs for animals; petfoods.
- Food for animals; pet food.
- Foodstuffs for animals; pet foods.

114. Having found as a fact what goods there has been genuine use of the mark in relation to, the next task is to arrive at a fair specification of goods having regard to the use made.¹⁴¹

115. The question of what is a fair description is answered by taking an objective and impartial view of the use made, given the underlying policy considerations.¹⁴² I take into account the following guidance from the case law:

- The correct formulation of the surviving specification must depend largely upon questions of fact and degree.¹⁴³
- The starting point should be a limitation to the actual field of use. The next task is to decide how the goods or services should be described.¹⁴⁴
- The “fair description” is one which would be given in the context of trade mark protection.¹⁴⁵
- Fairness to the Owner does not require a wide specification nor the incentive to apply for a general description of goods and services.¹⁴⁶

¹⁴⁰ Paragraphs 44 to 45 above.

¹⁴¹ *Sky Network Television Limited v SkyFiber Inc* [2012] NZHC 3559 [**Sky Network**] at [25].

¹⁴² *Unilever PLC v Amazon Technologies, Inc* [2020] NZIPOTM 17 at [36].

¹⁴³ *Decon Laboratories Ltd v Fred Baker Scientific Ltd* [2001] RPC 17 at [23].

¹⁴⁴ *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2002] EWCA Civ 1928, [2003] RPC 32 [**Thomson Holidays**] at [30].

¹⁴⁵ *Animal Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19 [**Animal**] at [20].

¹⁴⁶ *Thomson Holidays* above n. 144 at [29].

- The fair specification should reflect the circumstances of the particular trade.¹⁴⁷
- The purpose or intended use of the product may be relevant.¹⁴⁸
- The approach should be objective and impartial, balancing the competing interests.¹⁴⁹

116. The Owner submits the remaining goods are a fair specification of goods having regard to the use made. Mr Elliott pointed out that in a supermarket, foods for different animals are commonly found in the same aisle, and “pet food” would be the manner in which a consumer would inquire after these products. I note Professor Brodie’s evidence that most supermarkets divide the shelf space between cat food and dog food¹⁵⁰ accords with my own observations as a member of the public, according to which the same aisle may also contain food for other pet animals such as birds, and other pet related paraphernalia, such as toys, kitty litter, worming tablets and flea treatments, and plastic waste bags for use by dog walkers. I further note that cat food may also be sold through specialist pet supply stores, and at veterinary practices.¹⁵¹

117. The Applicant submits the “supermarket aisle” test is too blunt an instrument, and the specification should be restricted to “foodstuffs for cats; cat foods”.¹⁵² The Owner has only used the marks on the packaging of food for cats, and the content of the Website repeatedly refers to cats. The only reference on the Website to another type of animal is a reference in the “About” section to having in 1985 replacing a single product marketed for both cats and dogs with two new products “designed specifically for the different nutritional needs of cats and dogs”.¹⁵³

118. The umbra of protection for goods listed in the specification is supplemented by a penumbra of protection for similar goods, where deception or confusion is likely.¹⁵⁴

¹⁴⁷ *Thomson Holidays* above n. 144 at [31]

¹⁴⁸ *Maier v Asos plc* [2015] EWCA Civ 220 [**ASOS**] at [63].

¹⁴⁹ *Sky Network* above n. 141 at [26], citing with approval *Kerly’s Law of Trade Marks and Trade Names* (15th ed, Sweet & Maxwell, London, 2011) at 365-366.

¹⁵⁰ Brodie Affidavit, paragraph 19.

¹⁵¹ I note there is no evidence the Owner’s products are sold through such trade channels, but in determining the scope of a fair specification, I must take into account notional use, which may include these alternative trade channels.

¹⁵² Applicant’s Submissions, paragraph 46. At the hearing, it was clarified this restriction is sought in respect of all of the Registrations. It was not argued (and I think correctly) that any narrower restriction, such as “wet cat food”, is necessary for a fair specification.

¹⁵³ Shuttleworth Declaration, Annexure AS-4.

¹⁵⁴ *Animal* above n. 145 at [20].

For example, if the specification is “pet food”, a seller of “FELIX fish food” would be automatically deemed to infringe,¹⁵⁵ but if the specification is “cat food”, the Owner would have to prove use of “FELIX fish food” would be likely to deceive or confuse.¹⁵⁶

119. I consider cat food to be a sub-category that can reasonably be distinguished from other pet foods without being “pernickety”.¹⁵⁷
120. Based on the proven scope of the Owner’s use of the marks, I consider a fair specification of goods to be: “Foodstuffs for cats; cat food.”

Partial Revocation

121. In view of my findings, subject to any appeal, each of the Registrations is to be partially revoked by amending the specification of goods to read:

Foodstuffs for cats; cat food.

Date of Revocation

122. Under s 68(2),¹⁵⁸ the Applicant has sought revocation on a variety of alternative dates. As the scope and nature of the Owner’s use does not appear to have altered since use started, the Owner has never been in a position where a lesser scope of partial revocation was justified.
123. At the hearing, Ms Glover accepted there was no need for partial revocation to take effect from earlier than the day before the Application Date, namely 12 September 2017. Mr Elliott did not contest this date.
124. I am satisfied the grounds for revocation were met at **12 September 2017**, and therefore direct the partial revocation to take effect from that date.

¹⁵⁵ Section 89(1)(a).

¹⁵⁶ Section 89(1)(b).

¹⁵⁷ *Animal* above n. 145 at [20]; *ASOS* above n. 148 at [69].

¹⁵⁸ If the registration of a trade mark is revoked to any extent, the rights of the owner, to that extent, cease on—

(a) the date of the application for revocation of the registration of the trade mark; or

(b) if the Commissioner or the court is satisfied that the grounds for revocation of the registration of the trade mark existed at an earlier date, that date.

Costs

125. Although the Registrations are to be partially revoked, I consider the Owner to have succeeded on the primary issue, namely the genuine use of the marks during the Relevant Period, and entitled to an award of costs.
126. However, I consider an adjustment should be made to the standard scale of costs.
127. The Applicant requested the stance adopted by the Owner regarding its status as an “aggrieved person” be taken into account in relation to costs.¹⁵⁹ I agree this is appropriate. In this respect, I note the Cannon Declaration relates solely to the Applicant’s status as an aggrieved person. The Revocation Applications clearly stated the Applicant’s intention to rely on the citation of the Registrations against its Application as one of the bases for its standing as a person aggrieved.¹⁶⁰ The IPONZ record was sufficient evidence of this, and it was not necessary to rely on the Cannon Declaration. However, given that failure to establish status as an aggrieved person would have been fatal to the Revocation Applications,¹⁶¹ I do not consider the Applicant was unreasonable in preparing and filing the Cannon Declaration out of an abundance of caution.
128. The Owner submits costs should be awarded on the usual basis, as it was open to the Applicant to ascertain the position before filing its submission.¹⁶² These proceedings were subject to the standard [pre-hearing directions](#), including a direction requiring the parties to advise if any grounds or matters pleaded would not be pursued at the hearing.¹⁶³ The Owner did not take this opportunity to advise it did not intend to maintain its position that the Applicant was not an “aggrieved person”.
129. I consider a reduction in the amount of the costs award is appropriate in view of the Owner’s failure to withdraw its challenge to the Applicant’s standing as an “aggrieved person” before filing its written submissions.¹⁶⁴

¹⁵⁹ Applicant’s Submissions, paragraph 19.

¹⁶⁰ Revocation Applications, paragraph 1.3.

¹⁶¹ As, for example, in *Confucius Institute Headquarters v Kiddo Entertainment Pty. Limited* [2021] NZIPOTM 25 at [9] to [17].

¹⁶² Owner’s Submissions, paragraph 11.

¹⁶³ IPONZ letter dated 15 January 2021.

¹⁶⁴ I note in *Fantech (NZ) Limited v Systemair Aktiebolag* [2021] NZIPOTM 40 a 50% uplift in costs was considered appropriate where a party had failed to concede aggrieved person status before the other party had filed its submissions on the point, as well as filing submissions that significantly exceeded the limits set

130. I also make a further adjustment reflecting the Applicant's success on the question of what is a fair specification of goods.
131. Subject to any appeal, I award costs in accordance with the IPONZ standard scale of costs, and applying a 20% reduction:

Step in proceeding	Amount
Preparing and filing counterstatement	\$300
Preparing and filing owner's evidence of use of its mark	\$400
Receiving and perusing applicant for revocation's evidence	\$400
Preparation of case for hearing	\$600
Attendance at hearing by counsel (1 day @\$1210, two hours @\$220)	\$1650
Subtotal	\$3,350
Reduction in costs (20%)	(\$670)
Uplift for multiple proceedings (20%)	\$670
Disbursements	
Hearing Fee (3 proceedings @ \$850)	\$2,550
Total	\$5,900

down in pre-hearing directions. The second factor does not arise in this case, and therefore a smaller adjustment is appropriate.

Dated this 8th day of April 2022

Virginia Nichols
Assistant Commissioner of Trade Marks

Banki Haddock Fiora for the applicant for revocation

Griffith Hack for the owner