IN THE HIGH COURT OF NEW ZEALAND
AUCKLAND REGISTRY

CIV-2011-404-004613

UNDER	the Trade Marks Act 2002
IN THE MATTER OF	an appeal from a decision dated 4 July 2011 concerning Application No. 890554 in class 31
BETWEEN	MARS NEW ZEALAND LIMITED Appellant
AND	ROBY TRUSTEES LIMITED Respondent

Hearing: 7 November 2011

Appearances: E C Gray and R A O'Brien for Appellant
C Elliott for Respondent

Judgment: 7 December 2011

JUDGMENT OF VENNING J

This judgment was delivered by me on 7 December 2011 at 2.30 pm, pursuant to Rule 11.5 of the High Court Rules.

Registrar/Deputy Registrar

Date.....

Solicitors: Simpson Grierson, Auckland
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Introduction

[1] Mars New Zealand Limited (Mars) appeals from a decision of the Assistant Commissioner of Trade Marks declining to uphold its opposition to Roby Trustees Limited's (Roby's) trade mark application no. 809554 to register its Optimize Pro Lead The Pack mark

OPTIMIZE PRO
LEAD THE PACK

(the proposed mark) proposed to be used in respect of dog rolls in class 31.

[2] Both Mars and Roby sell pet food and, particularly relevant to this case, dog food. Mars sells dog and cat food in class 31 under its Optimum Nutrition for Life and Optimum registered trade marks:

OPTIMUM
NUTRITION FOR LIFE

OPTIMUM

Mars has also registered each device set against a background featuring a dog's face. Mars has separate registered trade marks for the words OPTIMUM and OPTIM-ATE in class 31.

[3] In addition, Mars has used the words and phrases Optimise, Optimise Your Pet, Optimize Your Dog, and Optimize Your Cat in conjunction with the marks Optimum Nutrition for Life and Optimum in promoting its products.

[4] Mars opposed Roby's application to register its proposed mark. It says the similarities between the respective marks, the identical nature of the goods in the case of dog rolls and the similar nature of the goods in the case of other foodstuffs for animals (in particular dogs) are such that registration of the proposed mark is likely to deceive or confuse.

[5] In her decision delivered on 4 July 2011 Assistant Commissioner Walden declined to uphold Mars' opposition.

The Assistant Commissioner's decision

[6] The Assistant Commissioner dealt with two objections to the evidence as preliminary matters. Mars objected to survey evidence Roby sought to rely on. The Assistant Commissioner ruled the results of the survey inadmissible on the ground that it was effectively hearsay and consisted of opinion evidence which had not been tendered as expert evidence. Nor was the Assistant Commissioner satisfied that the participants were selected so as to represent a cross-section of the relevant market. I agree that the survey failed to satisfy the tests identified by Barker J in *Auckland Regional Authority v Mutual Rental Cars (Auckland Airport) Ltd.*[1]

[7] For its part Roby objected to Ms McCarthy's evidence that when she ordered Roby's "optimize pro dog rolls selected meats" from the Woolworths website she instead received Mars' Optimum dog roll, and the reasons for that. At the time the order was placed Woolworths did not stock Roby's Optimize Pro dog roll. The Assistant Commissioner ruled out Ms McCarthy's evidence concerning her discussion with a Woolworths customer services representative as to the possible reason for the supply of the Optimum product. I agree with her ruling that the evidence was hearsay. The customer services representative appeared to have offered her view that the person filling the order had been confused. Further, the Assistant Commissioner also had concerns regarding the leading nature of the inquiries made by Ms McCarthy. That aspect of her evidence was properly ruled inadmissible. However, the balance of Ms McCarthy's evidence as to the purchase was relevant and admissible.

[8] The Assistant Commissioner then went on to consider the merits of Mars' opposition.

[9] Mars opposed Roby's application on the following grounds:

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1 *Auckland Regional Authority v Mutual Rental Cars (Auckland Airport) Ltd* [1987] 2 NZLR 647 (HC) at 658.

- s 17(1)(a) of the Trade Marks Act 2002 (the Act) (use of the proposed mark is likely to deceive or cause confusion);

- s 17(1)(b) of the Act (use of the proposed mark would be contrary to law: passing off and/or breach of the Fair Trading Act 1986);

- s 25(1)(b) of the Act (the proposed mark is similar to Mars' marks and its use is likely to deceive or confuse); and

- s 25(1)(c) of the Act (the proposed mark is, or an essential element of it is, identical or similar to Mars' well known marks and would be likely to prejudice Mars' interests).

[10] In relation to s 17(1)(a) the Assistant Commissioner first identified the relevant market in New Zealand for Roby's dog rolls as consisting mainly of members of the general purchasing public. In terms of the test identified in *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd*[2] she noted that the question was whether a substantial number of persons in the relevant market were likely to be deceived or confused. She accepted that Mars' marks and the Optimum name were likely to have been well known in the relevant market in relation to its pet food. However, she noted that there appeared to have been no use of Mars' OPTIM-ATE mark and Optimise, Optimise Your Pet, Optimize Your Cat and Optimize Your Dog did not appear to have been used as marks or names before the filing of Roby's application on 16 July 2009 (the relevant date).

[11] While the Assistant Commissioner did not consider there was evidence Mars used OPTIM-ATE, Optimise, Optimise Your Pet, Optimize Your Cat and Optimize Your Dog before the relevant date, in his second declaration Mr Lynch confirmed the website Optimise Your Pet was launched in March 2007 and had been live since then, with some pages including marketing under the catch phrase Optimize Your Dog with Optimum. While the printouts from the website may be dated after July 2009, Mr Lynch's evidence supports the conclusion the marks and phrases were used from March 2007. It is significant that Mars used the word Optimize and phrases

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2 *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 (CA) at 62.

such as Optimize Your Cat and Optimize Your Dog under www.optimiseyourpet.co.nz in relation to and in association with its products.

[12] Applying the test for comparing trade marks considered in *New Zealand Breweries Ltd v Heineken's Bier Browerij Maatschappij NV*[3] the Assistant Commissioner considered that the marks were visually, aurally and conceptually dissimilar. She considered that the relevant market would have no difficulty in perceiving the difference between OPTIMIZE in the proposed mark and OPTIMUM in Mars' mark. She did not consider that the use of Roby's proposed mark would be likely to deceive or cause confusion.

[13] The Assistant Commissioner then turned to s 17(1)(b). She considered that a higher threshold of confusion was required to establish passing off or a breach of the Fair Trading Act under s 17(1)(b) than was required under s 17(1)(a). As Mars had not succeeded under s 17(1)(a) she concluded that it could not succeed under s 17(1)(b) either.

[14] The Assistant Commissioner then considered s 25(1)(b). She confirmed her overall impression that Roby's proposed mark and Mars' marks were visually, aurally and conceptually dissimilar even though they contained the same letters OPTIM. In the case of the OTIM-ATE marks, while she considered that OPTIM- was an essential feature of the marks and was distinctive she noted that OPTIM- did not occur in the proposed mark. She concluded the marks were not similar for the purposes of s 25(1)(b).

[15] Finally, the Assistant Commissioner dismissed the opposition based on s 25(1)(c). She considered that as she had already found Mars could not succeed on its s 17(1)(a) opposition it followed that it could not succeed on its opposition under s 25(1)(c).[4]

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3 *New Zealand Breweries Ltd v Heineken's Bier Browerij Maatschappij NV* [1964] NZLR 115 (CA) at 139.

4 Citing *Higgins Coatings Pty Ltd v Higgins Group Holdings Ltd* HC Wellington CIV-2009-485-2594, 30 June 2010 at [24].

Mars' case

[16] Mars submits that, despite accepting that its OPTIMUM brand was well known in the relevant market, the Assistant Commissioner failed to consider the extent of its reputation in the marketplace when considering s 17(1)(a). Mars says that any mark similar to Mars' OPTIMUM marks was likely to cause a substantial number of potential customers to believe or at least wonder if the product bearing the similar mark was produced by Mars.

[17] Further, when comparing the marks for the purpose of ss 17 and 25 the Assistant Commissioner should have considered not only Mars' OPTIMUM mark but also the whole OPTIMUM brand and its other "Optim" marks.

[18] In short Mars submits that the Assistant Commissioner was incorrect to conclude there was no similarity between the marks and that there was no likelihood of deception or confusion.

Roby's case

[19] Roby supports the Assistant Commissioner's decision. It argues the Assistant Commissioner identified and compared the relevant marks and made a correct assessment of their differences. The Assistant Commissioner was not required to look at Mars' wider brand.

[20] Mr Elliott submitted that the marks were really not similar at all. He also submitted that the term Optimum was a descriptive mark which could not serve both as a brand and descriptor in Mars' brands and further, a competitor such as Roby should not be prevented from using the same descriptor or incorporating the term into its own mark.

Decision

[21] The relevant date for present purposes is the date of Roby's filing of the trade mark application, 16 July 2009. In the present case that is particularly relevant,

because after that date Mars made a decision to cease selling dog roll although it continued to sell dry dog food under its marks.

[22] There is another preliminary point. It is that, despite Mr Elliott's criticism of Mars' marks as being descriptive, the marks have been registered. This is not an application for revocation or rectification of the register. The issue for the Assistant Commissioner, and for this Court, is whether Roby's proposed mark infringes the relevant sections of the Act.

Section 17(1)(a)

[23] While there is a degree of overlap between s 17 and s 25 in that the central inquiry envisaged by both sections is into the similarity or otherwise between the proposed trade mark and existing marks, there are important differences between the sections. For example, there are a number of qualifiers to the grounds for refusal of registration under s 25 that do not apply to s 17. Further, s 26 allows of exceptions: consent to registration and special circumstances in which registration may be permitted. There are no equivalent exceptions to s 17.

[24] A further important distinction for present purposes is the subject matter of the inquiry. Section 25 is limited to consideration of whether the opposed mark is likely to be confused with another registered mark whereas the inquiry under s 17 is wider. The source of deception or confusion under s 17 need not be founded on a registered trade mark but can arise from the reputation or awareness of a company's brand identity built up across multiple product classifications using both registered and unregistered marks.

[25] Applying the propositions identified as relevant by Richardson J in *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd*[5] determination of whether Roby's proposed mark infringes s 17(1)(a) requires consideration of:

(a) the relevant geographical and product market within New Zealand;

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5 *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 (CA) at 61-62.

(b) whether there is a substantial awareness or reputation in respect of the registered and unregistered marks of Mars; and

(c) a comparison of the marks to determine whether a substantial number of persons within the market are likely to be perplexed or have their minds mixed up by the use of Roby's proposed mark.

[26] The geographical and product market in the present case is the market throughout New Zealand for chilled dog roll and dog food products. As the Assistant Commissioner found (and I agree) Roby's dog rolls are essentially the same product as Mars' Optimum chilled dog roll product and are similar to Mars' other Optimum pet food formats for dogs and cats.

[27] Next, as the Assistant Commissioner also found (and again I agree) the evidence established that Mars' marks

OPTIMUM
NUTRITION FOR LIFE

OPTIMUM

and the OPTIMUM word mark, are likely to have been well known in the relevant market in relation to Mars' pet food, in particular its chilled dog roll product.

[28] The real issue under s 17(1)(a) is whether the use by Roby of its proposed mark:

OPTIMIZE PRO

would be likely to deceive or cause confusion amongst a substantial number of persons in the relevant market. The Assistant Commissioner considered it would not cause such deception or confusion primarily because she considered Roby's proposed mark was visually, aurally and conceptually dissimilar to Mars' marks.

[29] However, there are a number of features of the proposed mark which, when comparing the marks in the context of the evidence, lead me to a different conclusion.

[30] As a device mark, I accept Mr Elliott's submission the visual impact is significant. When assessed visually side by side the marks are different. Apart from the wording, different fonts are used. However the differences are not particularly marked. The wording is the feature of both marks. Both marks use colour. Mars uses gold outlining around the black lettering of Optimum. Roby also uses gold outlining around the black lettering of Optimize. Mr Elliot makes the point that Optimize Pro has a more of a yellow glow around the lettering and the Pro is in bright gold. The font and colouring are the most significant differences.

[31] However, it is the overall appearance and impression that matters: *Clark v Sharp.*[6] While there may be differences between the marks it is the similarities that are the most significant, whether visual, aural or conceptual: *Austin, Nichols & Co Inc v Stichting Lodestar.*[7]

[32] The dominant features of Roby's proposed mark are the words Optimize Pro. While Mr Elliott emphasised Roby's device included the phrase "Lead The Pack" that is very much a secondary feature. The dominant feature of the mark is Optimize Pro. I accept Mr Gray's submission that Lead The Pack is a tag line which, although part of the device, is likely to be dropped in use by those in the relevant market, including wholesalers, retailers and consumers.

[33] Mr Roby says Lead The Pack is an intrinsic part of Roby's mark. But that is not consistent with the use of the Optimize Pro label without the Lead The Pack tag line. I note that, despite Mr Roby's evidence, Roby has itself used Optimize Pro without the tag line Lead The Pack on its own website. On the www.optimizepro.co.nz website Roby shortened the domain name to Optimize Pro. More importantly, it did not use the tag line with Optimize Pro in an example of its marketing/distribution on that site.

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6 *Clark v Sharp* (1898) 15 RPC 141 (Ch) at 146

7 *Austin, Nichols & Co Inc v Stichting Lodestar* (2005) 11 TCLR 265 (HC) at [13].

[34] There is also Ms McCarthy's evidence (which is admissible on these points) that the Woolworths internet shopping page describes Roby's goods as Optimize Pro dog rolls. Similarly the Woolworths/Foodtown receipt for Roby's dog rolls refers to them as "optimize pro dog rolls". The distinguishing feature Roby relies on of "Lead The Pack" is apparently not used by a principal retailer.

[35] Further, Optimize Pro is itself likely to be reduced to its main element, namely Optimize. An example of such effect is the reduction of Coca Cola to Coke and Pepsi Cola to Pepsi. But even in those cases "cola" is more readily seen as an integral part of the brand name than Pro would be to Roby's Optimize.

[36] Similarly, the dominant and distinctive feature of Mars' mark is Optimum. Nutrition for Life is a tag line. That leads to a comparison of Optimize Pro and Optimum as the respective dominant features of the two marks. The focus in customers' minds will inevitably be on the words Optimum and Optimize Pro and Optimize. Customers generally pay more attention to the distinctive and dominant components of marks.[8] Mr Innes, the marketing and communications consultant who gave expert evidence for Mars confirmed:

> ... Moreover the effect of primacy will for most people lead to strongest recognition and recall of the 'opti' syllables. 'Primacy' refers to the natural tendency to give precedence to the early syllable(s) in multi-syllable words. Thus 'Coca Cola' mostly becomes 'Coke'. Mercedes-Benz often becomes 'Merc'. Budweiser becomes 'Bud'. Thus, the fact that the words OPTIMUM and OPTIMIZE share the same first two syllables means that the marks will inevitably be linked in many people's minds.

[37] Mr Elliott sought to answer that point by submitting that, even though the element Bud was common to both appellant and respondent in *Anheuser-Busch Inc v Budweiser Budvar National Corporation*,[9] the Court concluded that what was important was appearance and general impression. The common first syllable Bud was not of itself enough, given the overall differences when compared to a composite two-word mark. Importantly, however, in that case the difference was between Budweiser, which lent itself to being shortened to Bud on the one hand, and

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8 *Sabel BV v Puma AG* [1998] RPC 199 (ECJ) at 224.

9 *Anheuser-Busch Inc v Budweiser Budvar National Corporation* [2003] 1 NZLR 472 (CA).

the respondent's name Budejovicky-Budvar on the other. There is not the same stark distinction in relation to Optimum and Optimize.

[38] The overall impression or concept one is left with, with both Optimum and Optimize Pro, is the concept of the best or a premium product. Defined as a noun, that is the most favourable or advantageous condition, value or amount.[10] As an adjective, the best, most favourable, especially under a particular set of circumstances. Optimize, similarly, is to make the best or most of, to develop to the utmost. Pro, which is generally used as a prefix, really adds little to those concepts. Of itself it means early, prior, or before. It may also be regarded as short for professional. The related concepts associated with the latter add little to the concept of the optimum or premium product.

[39] So while I accept that when placed side by side it is possible to identify a number of differences between the marks, the main concept left on the mind by both marks over time will essentially be the same. Customers of Mars who have previously bought Optimum dog food may well be confused and consider Optimize Pro to be a Mars product. As noted in *Kerly's Law of Trade Marks and Trade Names*:[11]

> Two marks, when placed side by side, may exhibit many and various differences, yet the main idea left on the mind by both may be the same. A person acquainted with one mark, and not having the two side by side for comparison, might well be deceived, seeing the second mark on other goods, into a belief that he was dealing with goods which bore the same mark as that with which he was acquainted.
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> ...
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> When the question arises whether a mark so resembles another mark as to be likely to deceive or cause confusion, it should be determined by considering what is the leading characteristic of each. The one might contain many, even most, of the same elements as the other, and yet the leading, or it may be the only, impression left on the mind might be very different. On the other hand, a critical comparison of two marks might disclose numerous points of difference, and yet the idea which would remain with any person seeing them apart at different times might be the same. ...

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10 *Oxford English Dictionary.*

11 David Kitchin, David Llewelyn, James Mellor, Richard Meade, Thomas Moody-Stuart and David Keeling *Kerly's Law of Trade Marks and Trade Names* (14th ed, Sweet & Maxwell, London, 2005) at [17-028]-[17-029].

[40] In my judgment that is the position in the present case particularly given the nature of the goods in class 31: *British Sugar Plc v James Robertson & Sons Limited.*[12] They are self-serve consumer items which are likely to be found in the same area of the supermarket. The products are directly competitive with each other in the same market. Further, as the evidence of Mr Innes confirms:

> 29. **IN** my view, it is likely that many purchasers becoming aware of 'OPTIMIZE Pro' branded pet food products will assume that OPTIMIZE Pro is likely to be associated in some way with the OPTIMUM brand, for instance, as a new and/or improved variant of OPTIMUM. This is at least partly because of the addition of the letters "PRO", which to some people at least will suggest the word "Professional". In turn, this would imply a higher quality product by comparison with OPTIMUM.
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> 30. **IN** the case of delegated purchasing, that is when the primary decision maker for choice of pet food requests another person to make a purchase on their behalf (eg husband, wife, son or daughter), there is a strong likelihood of confusion between the two names, OPTIMIZE Pro and OPTIMUM.

[41] In the case of a delegated purchase, the purchaser is not likely to be told to purchase Optimize Pro Lead The Pack dog rolls or, for that matter, Optimum Nutrition For Life dog rolls. They are most likely to be asked to purchase some Optimize dog rolls or Optimum dog rolls. The likelihood of confusion is clear. That is particularly so given that the purchase of dog rolls or dog food products are typically low involvement purchases.

[42] When the marks are referred to aurally, with the focus on the first part of both words there is a real consonance between the syllables and rhythm of both. The significance of Pro is lost. Importantly, there is little difference between Optimize and Optimum to the ear, and none between Optimize and Optimise. Further, conceptually the marks are identical as they convey the same idea.

[43] I conclude that the Assistant Commissioner was wrong. The visual, but more significantly, the aural and conceptual similarities between the marks in this case are such that, when taken with the developed brand and consumer awareness of Mars' marks, it is inevitable that the use of Roby's proposed mark will deceive or cause confusion to a substantial number of persons in the relevant market.

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[12] *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 (Ch) at 290-296.

[44] Mr Elliott submitted that Mars' mark was a descriptive mark and that Mars was attempting to use a variant of the mark in a wholly descriptive way to prevent another party, in this case Roby, from registering a composite device mark containing that variant, which was not permissible. He submitted that the principle against permitting a monopoly in respect of geographical origin was of equal application to words in common parlance, referring to s 18(1)(d) of the Act and *Joseph Crosfield & Sons Ltd's Application.*[13] However, as noted above, Mars' marks, including Optimum, have been registered. This is not an application for revocation.

[45] Mr Elliott noted that, in the Court of Appeal's decision in *Intellectual Reserve Inc v Sintes,*[14] Baragwanath J had approved the following passages from *British Sugar*:

> [27] The point was summed up by Jacob J in *British Sugar* at 302:
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> > It is precisely because a common laudatory word is naturally capable of application to the goods of any trader that one must be careful before concluding that merely its use, however substantial, has displaced its common meaning and has come to denote the mark of a particular trader ...
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> At 306 he offered an analysis which was adopted by Winkelmann J[15] and with which I respectfully agree:
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> > If a mark on its face is non-distinctive (and ordinary descriptive and laudatory words fall into this class) but is shown to have a distinctive character in fact then it must be capable of distinguishing ... What does devoid of distinctive character mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark? A meaningless word or a word inappropriate for the goods concerned (North Pole for bananas) can clearly do so. But a common laudatory word such as 'Treat' is, absent use and recognition as a trade mark, in itself ... devoid of any inherently distinctive character.

[46] Mr Elliott submitted that legitimate traders including the respondent Roby may wish to use the word Optimize to describe their products and as part of their own trade marks. He referred to the Court of Appeal decision in *N V Sumatra Tobacco Trading Company v British American Tobacco (Brands) Incorporated*[16]

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13 *Joseph Crosfield & Sons Ltd's Application* (1909) 26 RPC 837, 854-855.

14 *Intellectual Reserve Inc v Sintes* [2009] NZCA 305.

15 *Intellectual Reserve Inc v Sintes* HC Auckland CIV-2007-404-2610, 13 December 2007 at [59].

16 *N V Sumatra Tobacco Trading Company v British American Tobacco (Brands) Incorporated* [2010] NZCA 24, (2010) 86 IPR 206 (CA) at [62].

where the Court of Appeal endorsed the approach taken by the High Court of Australia in *Cooper Engineering Co Pty Ltd v Sigmund Pumps Ltd*[17] and confirmed the principle that:

> The courts will be concerned not to create a monopoly on functional elements.

[47] Mr Elliott also referred to the decision of the English Court of Appeal in *The European Ltd v The Economist Newspaper Ltd*[18] and the observation that:

> Where descriptive words are included in a registered trade mark, the courts have always and rightly been exceedingly wary of granting a monopoly in their use.

The principles are not in issue. They are well settled. But it is also important to consider the extent of the relevant market which is sought to be protected. The current application concerns class 31. Both Mars and Roby are in the same market under class 31.

[48] Further, just because a word is descriptive does not mean that it is necessarily not registrable. If the word is descriptive but not of the particular goods or services applied for it may still be registrable as a mark. Vintage is a descriptive word, although was not at the relevant time associated with cheese and was therefore registrable: *Mainland Products Ltd v Bonlac Foods (NZ) Ltd.*[19] The author of *Intellectual Property in New Zealand*[20] cites the use of "Brilliant" for crochet-cotton, not a word manufacturers generally use to describe their cotton and therefore registrable: *Re Clark & Co Limited.*[21] Similarly, "CHUNKY" in relation to pet food was registrable because, although it was a well known word it was not a word which probably and almost naturally would be used by others to describe any kind of food stuff, human or animal: *CHUNKY Trade Mark.*[22] Further, "Total" was held to have

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17 *Cooper Engineering Co Pty Ltd v Sigmund Pumps Ltd* (1952) 86 CLR 536.
18 *The European Ltd v The Economist Newspaper Ltd* [1998] FSR 283 (CA) at 290.
19 *Mainland Products Ltd v Bonlac Foods (NZ) Ltd* [1998] 3 NZLR 341 (CA).
20 Susy Frankel *Intellectual Property in New Zealand* (2nd ed, LexisNexis, Wellington, 2011) at [9.2.11](c).
21 *Re Clark & Co Ltd* (1912) 32 NZLR 690 (SC).
22 *CHUNKY Trade Mark* [1978] FSR 322 (Ch) at 335.

no descriptive significance in relation to laundry cleaners and powders: *Ajax Chemicals Ltd v Colgate Palmolive Company.*[23]

[49] Optimum is a common word. Its meaning is commonly understood. It is not normally descriptive of dog rolls, animal food products or of any characteristics or attributes of dog rolls or animal food products. Applied generally to dog rolls or dog food, it could signify that the product is the best quality pet food available. However, it has been used by Mars as a trade mark and as a consequence of Mars' marketing I accept that it is now identified with Mars' animal food products. There is an established association.

[50] Further, Roby does not use Optimize in the sense that it is descriptive of its product as such. The word optimize may describe the action of optimization but it is not descriptive of Roby's dog roll. Rather it is a reference to a concept.

[51] Mars has the protection of trade marks for Optimum Nutrition for Life and Optimum. For the reasons given above I conclude that a substantial number of persons in the relevant market are likely to be perplexed or have their minds mixed up by the use of Roby's proposed mark so that the use of the proposed mark would be likely to deceive or cause confusion.

Section 17(1)(b) – passing off

[52] Largely for the reasons given above, use by Roby of its proposed mark in relation to dog rolls would also constitute misleading and deceptive conduct and breach of the Fair Trading Act 1986. Accordingly Roby's mark would be disentitled to protection under s 17(1)(b).

Section 25(1)(b)

[53] The s 25(1)(b) inquiry is in essence a similar inquiry as that undertaken under s 17 except that, as noted, the analysis is more directly focused on the registered trade marks and their similarity to the proposed mark. The Court of Appeal in *NV*

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[23] *Ajax Chemicals Ltd v Colgate Palmolive Company* [1998] NZIPOTM 7.

Sumatra Tobacco Trading Co v New Zealand Milk Brands Ltd[24] approved the following test when considering s 25:

> [32] We consider that with regard to s 25(1)(b), the order of inquiry should be:
>
> (a) Is an applicant's proposed mark (or marks) in respect of the same or similar goods or services covered by any of the opponent's trade mark registrations?
>
> (b) If so, is the applicant's proposed mark (or marks) similar to any of the opponent's trade mark registrations for the same or similar goods identified in the first inquiry?
>
> (c) If so, is use of the applicant's proposed mark likely to deceive or confuse?

[54] The answer to the first question is clearly yes. The Assistant Commissioner found the relevant products were the dog rolls and dog food. For the reasons given above, I consider that when the relevant aspects of the marks (including visual, aural and conceptual similarities) are considered the marks are similar. Also, for the reasons given above I have concluded that the use of the proposed mark would be likely to deceive or confuse.

Section 25(1)(c)

[55] There is limited case law considering s 25(1)(c). While the question of similarity remains an important issue there is an additional focus, where goods or services are dissimilar, on the notion of "connection in the course of trade". Applying the tests (as relevant) identified in *Intellectual Reserve Inc v Sintes* to the present case the questions are:

(1) Is Roby's proposed mark similar to one of the marks of Mars which is well known, or is an essential element of Roby's proposed mark similar to that which is well known?

(2) Are Roby's goods the same as or similar to the goods of Mars?

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[24] *NV Sumatra Tobacco Trading Co v New Zealand Milk Brands Ltd* [2011] NZCA 264, [2011] 3 NZLR 206.

(3) Would use of Roby's proposed mark be likely to prejudice the interests of Mars?

[56] Ultimately the assessment of similarity will be a matter of personal appreciation with other cases being of limited use: see *NV Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc.*[25]

[57] For the reasons given above I consider that essential elements of Roby's proposed mark are similar to Mars' marks.

[58] Roby's goods are the same as the goods of Mars.

[59] That leaves the issue of whether the use of Roby's proposed mark would be likely to prejudice Mars' interests. Given that the parties are in the same market, there is the risk of tangible harm. Use of Roby's proposed mark is likely to prejudice Mars' interests.

Result

[60] For the above reasons the appeal is allowed. Mars' opposition to Roby's trade mark application is upheld.

Costs

[61] Costs to the appellant on a 2B basis together with disbursements as fixed by the Registrar. The costs before the Assistant Commissioner (including disbursements) are to be fixed by the Assistant Commissioner in the event the parties cannot agree.

Venning J

[25] *NV Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc* at [27].