

# GENERICISM: DEATH OF A TRADE MARK

## A New Zealand Perspective

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### Introduction

1. Genericism is often the ironic consequence of a successful brand. A company comes up with a novel product, gives it a highly distinctive brand and markets it brilliantly to the point where the product/brand combination so dominates the market that the trade mark becomes referred to as the generic name for the product itself. It was an advertising agency's dream under the Trade Marks Act 1953 (NZ) but it is a trade mark owner's worst nightmare under the Trade Marks Act 2002 (NZ). Companies invest significant sums in product and brand development and the last thing that they want is for people using their trade mark to be referring to any product or service in the market.
2. This paper examines how a trade mark may be revoked on the basis that it has become generic and the preventive measures brand owners can take to avoid that result. Part I analyses the statutory test for revocation in s 66(1)(c) of the Trade Marks Act 2002 (NZ). Part II considers the practical implications for advising brand owners, with a particular focus on branding and brand management strategies. Part III offers insights into litigating claims that a mark has become generic, including recommendations for evidence gathering and trial strategies for both applicants and brand owners.

### I Statutory Test for Revocation

#### Section 66(1)(c)

3. Section 66(1)(c) enables an "aggrieved person" to apply to the Commissioner of Trade Marks or the High Court for the revocation of a registered trade mark on the basis that it has become the generic name for the relevant product or service due to the acts or inactivity of the trade mark owner. It provides:

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## **66      *Grounds for revoking registration of trade mark***

*(1) The registration of a trade mark may be revoked on any of the following grounds:*

...

*(c) that, in consequence of acts or inactivity of the owner, the trade mark has become a common name in general public use for a product or service in respect of which it is registered.*

4. The relevant date for assessing the state of the mark is presumptively the date of application for revocation.<sup>1</sup>

### **A brief history**

5. The enactment of s 66(1)(c) represents a fundamental change to the basis upon which a mark may be revoked on the ground that it has become generic. Under the Trade Marks Act 1953 (NZ) word marks which were adopted by the public as the generic name of the product received more favourable treatment. A trade mark was only vulnerable to revocation if it could be shown that there was “a well-known and established” descriptive use of the word in the trade.<sup>2</sup> If the mark was regarded by the public as the name or description of the product that could not affect its registration. In some cases this operated to encourage trade mark owners to promote their mark to the public as the name for the product with the goal of turning their particular product into a household name.
6. Further, how a mark came to lose its distinctiveness to the trade was strictly irrelevant under the 1953 Act. A successful applicant for revocation had only to prove that it had.
7. Section 66(1)(c) therefore represents a significant policy shift and one which more closely aligns the basis for revocation with the essential function of a trade mark as an indicator of source.<sup>3</sup> Parliament has withdrawn statutory protection for registered marks that have become generic to the public. However, it has tempered the effect of that change by introducing a new causative requirement whereby only marks that lose their distinctiveness due to the acts or inactivity of the proprietor are subject to revocation. The introduction of the causative

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<sup>1</sup> Trade Marks Act 2002 (NZ), s 68(2).

<sup>2</sup> Trade Marks Act 1953 (NZ), s 24(1).

<sup>3</sup> Trade Marks Bill 2001 (142-1) (select committee report) at 4-5.

requirement may also recognise and mitigate the practical difficulties in controlling public (as opposed to trade) use of registered marks.<sup>4</sup>

8. Section 66(1)(c) is modelled on s 22(1)(c) of the Trade Marks Act 1998 (Sing), which in turn takes its wording from s 46(1)(c) of the Trade Marks Act 1994 (UK). Section 46(1)(c) of the Trade Marks Act 1994 (UK) provides:

#### **46      *Revocation of registration***

*(1) The registration of a trade mark may be revoked on any of the following grounds:*

...

*(c) that, in consequence of acts or inactivity of the owner, the trade mark has become the common name in the trade for a product or service in respect of which it is registered.*

9. It will be apparent that the wording of s 66(1)(c) differs in two respects from s 46(1)(c) of the 1994 UK Act. First, the mark must have become “a” common name as opposed to “the” common name. The second is that the reference point for the assessment of whether the mark has become generic is now “the public” instead of “the trade”.
10. As a result of the judicial gloss placed on the equivalent provisions in both England and Singapore the differences in statutory wording are immaterial. Those equivalent provisions have been interpreted to mean that it is sufficient to demonstrate that the mark is “a” common name in the trade.<sup>5</sup> Further, the word “trade” is interpreted expansively to mean the “relevant public”, which includes all consumers and end-users depending on the relevant product market and the particular circumstances in which the trade mark is encountered in that market.<sup>6</sup>

#### **Types of marks affected**

11. Having regard to the wording of s 66(1)(c) it will generally only apply to word marks. However, it might also have application to other marks which can only be referred to, or which have come to be referred to, using words which are the common name for a product or service for which the mark is registered.

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<sup>4</sup> *Wineworths Group Ltd v Comité Interprofessionel du Vin de Champagne* [1992] 2 NZLR 327 (CA) at 337.

<sup>5</sup> *Hormel Foods Corp v Antilles Landscape Investments NV* [2005] RPC 28 (Ch) [SPAMBUSTER]. In Singapore see *Wing Joo Long Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* [2009] FSR 13 (SGCA) [*Wing Joo*].

<sup>6</sup> *Bjornekulla Fruktindustrier AB v Procordia Food AB* [2004] RPC 45 (ECJ) [*Bjornekulla*]. See also *Wing Joo*, above n 5, at [56].

### **Onus of proof and evidential burden on the applicant**

12. The statutory presumption of validity provided in s 75 reflects the fact that a registered trade mark of more than seven years standing is a valuable property right, which should not be taken away in the absence of clear and persuasive evidence that the contested mark has ceased to perform its trade mark function.<sup>7</sup> As Richard Posner has observed:<sup>8</sup>

*To determine that a trade mark is generic and thus pitch it into the public domain is a fateful step.*

13. Accordingly, it is the applicant for revocation who bears the burden of overcoming that presumption. The burden of proof which an applicant for revocation must satisfy has been described as a heavy one.<sup>9</sup> Clear evidence is required.<sup>10</sup>
14. The authors of *Kerly's Law of Trade Marks and Trade Names* (Kerly) emphasise the obligation on an applicant alleging genericism to produce substantial independent evidence that the mark has become a common name:<sup>11</sup>

*Whether a mark has become the common name in the trade for a product or service is a question of fact to be decided in the circumstances. It is a qualitative test rather than quantitative. This ground depends on the evidence put forward in support of it. A tribunal would expect to see substantial independent evidence relating to the relevant product or service market. The evidence might come from surveys (as in Bjornekulla), or from persons of standing within the trade or from trade organisations and the like, showing the mark in use as the common name in the trade for a relevant product or service.*

15. The applicant for revocation also carries the burden of providing the causation element, namely that the state of the mark being a common name in general public use is as a consequence of the acts or inactivity of the owner.<sup>12</sup>

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<sup>7</sup> See also Trade Marks Act (NZ), s 162, which provides that registration is prima facie evidence of validity.

<sup>8</sup> *Ty Inc v Softbelly's Inc* 353 F 3d 528 (7<sup>th</sup> Cir 2003) at 531.

<sup>9</sup> *Wing Joo*, above n 5, at [59]; *DB Breweries Ltd v Society of Beer Advocates Inc* [2011] NZIPOTM 19; *Tasman Insulation New Zealand Ltd v Knauf Insulation Ltd* [2014] NZHC 960 [Tasman v Knauf] at [91].

<sup>10</sup> *Rousselon Freres et Cie v Horwood Homewares Ltd* [2008] RPC 30 (Ch) at [88].

<sup>11</sup> *Kerly's Law of Trade Marks and Trade Names* (15<sup>th</sup> ed, Sweet & Maxwell, London, 2011) at [10-019].

<sup>12</sup> *Tasman v Knauf*, above n 9, at [96].

### Who is the “public”?

16. A critical issue under s 66(1)(c) that is yet to be conclusively resolved in New Zealand is the interpretation of the word “public”; in particular whether it is to be interpreted as the “relevant public” or the “general public”.
17. In the authors’ view the phrase “a common name in general public use” must be interpreted purposively as referencing the “relevant public”, meaning the relevant public which does or may purchase the goods in the marketplace.<sup>13</sup> In other words, “general” qualifies the phrase “public use” and not merely the word “public”.
18. That interpretation is consistent with the essential function of the trade mark to guarantee the identity of the origin of the trade mark goods in purchasing decisions and therefore the policy basis on which the change in statutory wording was made.<sup>14</sup> It is consumer use of and understanding of the trade mark in the context of purchasing decisions that determines whether the trade mark retains its essential function as a badge of origin.<sup>15</sup>
19. The authors’ interpretation finds academic support in the New Zealand context in Paul Sumpter’s *Trade Marks in Practice*<sup>16</sup> and is consistent with a wealth of English, Singaporean and Community authority.
20. In *Bjornekulla Frukindustrier AB v Procordia Food AB (Bjornekulla)* the Court of Justice of the European Communities (Sixth Chamber), after considering Article 12(2)(a) of the Trade Mark Directive, said:<sup>17</sup>

*In general, the perception of consumers or end users will play a decisive role. The whole aim of the commercialisation process is the purchase of the product by those persons and the role of the intermediary consists as much in detecting and anticipating demand for that product as in increasing or directing it.*

*Accordingly, the relevant circles comprise principally consumers and end users. However, depending on the features of the product market concerned, the influence of intermediaries on decisions to purchase, and thus their perception of the trade mark, must also be taken into consideration.*

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<sup>13</sup> Interpretation Act 1999 (NZ), s5.

<sup>14</sup> Above n 13.

<sup>15</sup> *Hasbro Inc v 123 Nahrungsmittel GmbH* [2011] FSR 21 (Ch) at [171]; *Wineworths Group Ltd v Comité Interprofessionnel du Vin de Champagne*, above n 4, at 337; *Restatement (Third) of Unfair Competition* §15 (1995).

<sup>16</sup> Paul Sumpter *Trade Marks in Practice* (2<sup>nd</sup> ed, LexisNexis NZ Ltd, Wellington, 2011) at [TMA66.10].

<sup>17</sup> *Bjornekulla Frukindustrier AB v Procordia Food AB* [2004] RPC 45 (ECJ) at [24]-[25].

21. The authors of *Kerly* expand on the point in their discussion of the *Bjornekulla* decision:<sup>18</sup>

*The judgement [Bjornekulla] is carefully worded to take account of the wide range of circumstances in which trade marks are encountered. For self-serve items where the consumer makes his or her own choice, the views of consumers or end users are likely to be decisive and the views of members of the trade almost irrelevant. For product markets where a member of the trade is normally involved in the purchasing process (e.g. purchases are made on the basis of advice or recommendation from someone in the trade) the views of the trade may be much more important. In specialist or industrial product markets the consumer or end user may be a member of the trade or have equivalent knowledge, and the views of the public may be completely irrelevant.*

22. Thus the question “who is the public?” is answered by reference to the features of the product market concerned and the role of the trade mark in that product market. In relation to consumer products it will generally be the perceptions of consumers and end-users that will be decisive. However, the perceptions of the trade may also be relevant, at least to the extent that they have the capacity to inform consumer perception.
23. Practitioners giving advice on revocation or brand management strategies are therefore advised to give careful consideration to identifying the relevant public.

#### **What degree of use is required?**

24. Whether a trade mark has become “a common name in general public use” is a question of degree.<sup>19</sup> The words “common” and “general” suggest that the use of the mark as a generic name for the product must be established or widespread.
25. Beyond that proposition, the courts have not been inclined to lay down a prescriptive test for determining when a mark has become a generic name justifying revocation.<sup>20</sup>
26. In considering the question of degree, the approach of the courts in other jurisdictions may be instructive. In Canada the cases tend to refer to “a *substantial portion*” of the relevant public.<sup>21</sup> In the United States the test under the Lanham Act, itself derived from case law, is the “*primary significance of the*

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<sup>18</sup> *Kerly's Law of Trade Marks and Trade Names*, above n 11, at [10-119].

<sup>19</sup> *Kerly's Law of Trade Marks and Trade Names*, above n 11, at [10-123].

<sup>20</sup> In *Tasman v Knauf*, above n 9, the High Court answered the question by reference to the standard of proof.

<sup>21</sup> Kelly Gill (ed) *Fox on Canadian Law of Trade Marks and Unfair Competition* (looseleaf ed, Carswell, updated to August 2015) at 11.4(b).

registered mark to the relevant public”.<sup>22</sup> *McCarthy on Trade Marks and Unfair Competition (McCarthy)* in the United States’ context says that if majority usage is established as a fact that will generally be determinative.<sup>23</sup>

27. What is clear is that some descriptive use of a registered mark does not make it a common name in general public use.<sup>24</sup> In *Comic Enterprises Ltd v Twentieth Century Fox Film Corp*, the High Court of England and Wales observed that the existence of a proportion of the relevant public who have not heard of a mark, or do not regard it as identifying the goods of a particular undertaking, is not necessarily destructive of validity.<sup>25</sup>
28. Similarly, where a mark has become a household name, some use by way of synecdoche does not mean the mark has become truly generic or that such use is due to the acts or inactivity of the proprietor.<sup>26</sup> Consumers who are aware of the trade mark significance of a name may nevertheless use it on occasion in a purely generic sense.
29. The GOOGLE® example referred to in the OHIM Manual for Cancellation Proceedings is illustrative of synecdochic use of a trade mark to identify both the particular species of service while at the same time indicating the genus of services to which the species belongs. When someone is doing research on the internet they may say that they will “google”, but this shorthand does not make the GOOGLE® trade mark a generic term. This “shorthand” does not mean that the source indication function of the mark has been lost.<sup>27</sup>
30. The ability of a mark to retain its source significance while occasionally being used by way of synecdoche was specifically recognised by the High Court in *Tasman Insulation New Zealand Ltd v Knauf Insulation Ltd (Tasman v Knauf)*<sup>28</sup> by reference to the following observation of Richard Arnold QC in *Hormel Foods Corp v Antilles Landscape Investments NV (SPAMBUSTER)*:<sup>29</sup>

*As to s 46(1)(c), since 1938 the claimant’s mark has become a household name. In such circumstances it is not surprising that occasionally it is used by way of synecdoche to stand for canned luncheon meat generally in the same way as, for*

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<sup>22</sup> Lanham Act 15 USC 1064 (1976), s14(3).

<sup>23</sup> Thomas McCarthy *McCarthy on Trade Marks and Unfair Competition* (online looseleaf ed, Thomson Reuters, updated to August 2015) at [12.6].

<sup>24</sup> *Kerly’s Law of Trade Marks and Trade Names*, above n 11, at [10-123].

<sup>25</sup> *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2014] FSR 35 (Ch) at [169].

<sup>26</sup> *SPAMBUSTER*, above n 5, at [176].

<sup>27</sup> See also the examples given at [66] of *Wing Joo*, above n 5.

<sup>28</sup> *Tasman v Knauf*, above n 9, [93]-[96].

<sup>29</sup> *SPAMBUSTER*, above n n 5, at [176].

*example, PERRIER is sometimes used to stand for carbonated mineral water generally (the synecdoche being the use of the species to stand for the genus). This does not mean that it has necessarily become truly generic, still less that this is due to the acts or inactivity of the claimant.*

## **Causation**

31. The introductory words of s 66(1)(c) make it clear only those registered marks that become generic as a result of the “acts or inactivity” of the proprietor are subject to revocation.<sup>30</sup>
32. The meaning of “acts or inactivity” was considered in *DB Breweries Ltd v Society of Beer Advocats Inc.*<sup>31</sup> “Acts” include the way in which the trade mark is used by the proprietor itself as well as other steps taken to preserve the distinctiveness of the mark, such as policing misuse. “Inactivity” relates to situations where the proprietor has failed to seek to prevent use of the mark by another party in a manner that undermines its distinctive character.
33. In considering “inactivity”, the authors suggest that the courts are likely to focus the causation enquiry on the extent to which the proprietor has itself failed to use its mark as a badge of origin as well as any failures to police infringing use by trade competitors. Failures to monitor and take action against inappropriate use of a mark in secondary markets such as eBay and Trade Me are also likely to be relevant “inactivity”. However, it has been observed that the notion that a proprietor must police its mark does not impose an absolute burden on the proprietor to eliminate all inappropriate use of its mark.<sup>32</sup>
34. In *Tasman v Knauf* the High Court considered that the charge of “inactivity” could only be levelled against the proprietor in relation to use about which the proprietor could legitimately complain, i.e. infringing use.<sup>33</sup> That approach appears to put New Zealand out of step with England where authority suggests that “inactivity” can also encompass a proprietor’s failure to use its mark widely or publicise the fact of its registration or notify appropriate bodies that its mark is registered.<sup>34</sup>
35. An interesting conceptual issue that arises in relation to proving causation is the extent to which the court can take into account evidence of “acts” or “inactivity” occurring prior to 20 August 2003, the date on which s 66(1)(c) came into force.

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<sup>30</sup> Sumpter, above n 16.

<sup>31</sup> *DB Breweries Ltd v Society of Beer Advocats Inc.*, above n 9.

<sup>32</sup> *Kerly’s Law of Trade Marks and Trade Names*, above n 11, at [10-127].

<sup>33</sup> *Tasman v Knauf*, above n 11, at [157].

<sup>34</sup> *SPAMBUSTER*, above n 5, at [170].



The issue arises primarily because the basis upon which a mark could be revoked fundamentally changed on 20 August 2003. Section 66(1)(c) is not expressed to have retrospective effect and the transitional provisions in the Trade Marks Act 2002 do not address this issue.

36. In *Tasman v Knauf* the High Court resolved the issue by reference to the statutory presumption against retrospectivity,<sup>35</sup> which the Court held was not rebutted by the Trade Marks Act 2002 (NZ).<sup>36</sup> The Court held that it followed that whether a trade mark has become a common name in general public use can only be considered to the extent that such a state of affairs has occurred as a result of the acts or inactivity of the proprietor since 20 August 2003.<sup>37</sup>

### **Relief**

37. If registration is successfully revoked the proprietor's rights are deemed to cease on the date of application for revocation.<sup>38</sup> Revocation to an earlier date is possible if it can be proved that the grounds for revocation existed at an earlier date.<sup>39</sup> The burden is on the applicant to expressly plead and particularise the earlier date and the grounds for revocation that existed at that time.<sup>40</sup>
38. Partial revocation is a possibility under s 68 of the Trade Marks Act 2002 (NZ), although it is difficult to envisage how that would apply in the context of an application under s 66(1)(c).

## **II Practical Implications for Brand Owners**

39. The problem of genericism arises as a result of the subtle ways in which language can change and develop. It is instinctive for us to use linguistic shortcuts in everyday conversation. It seems that we are naturally inclined to turn trade marks into common nouns or verbs (Photoshopped a digital photo lately?). While grammatical formalism is no basis for revoking a trade mark, this natural tendency can, over time, operate to erode the distinctiveness of a trade mark. Fortunately, there are a number of well-recognised strategies for preventing a registered mark from becoming generic.

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<sup>35</sup> Interpretation Act 1999 (NZ), s 7.

<sup>36</sup> *Tasman v Knauf*, above n 9, at [111].

<sup>37</sup> Above n 38.

<sup>38</sup> Trade Marks Act 2002 (NZ), s 68(1)

<sup>39</sup> Trade Marks Act 2002 (NZ), s 68(2).

<sup>40</sup> *Omega SA v Omega Engineering Inc* [2003] FSR 49 (Ch).

## **Brand Selection**

40. Brand owners are commonly advised to select an inherently distinctive brand (as opposed to a descriptive one). While that remains good advice, it does not necessarily reduce the risk of genericism. Highly distinctive marks applied to novel products are often most at risk of becoming the common name for the product itself. The problem arises because there is no natural or existing generic name for the novel product. The risk is increased when the product enjoys a period of monopoly protection as a result of a patent registration.
41. A recognised strategy to address that risk is for the brand owner to coin a generic name for its new product at the same time as it selects its brand or trade mark. The pharmaceutical industry is adept at this having learned the lessons of Bayer's experience with ASPRIN. Under the World Health Organisation's International Nonproprietary Names (INN) system, names of pharmacologically-related substances demonstrate their relationship by using a common "stem". Different "stems" are assigned to categories of drugs based on their chemical or pharmacological properties. Additional letters, usually a prefix, are added to the stem to create the generic name. For example, the stem for a class of cholesterol reducers is "vastatin". Included in the category are the generic names "atorvastatin" (LIPITOR®) and "simvastatin" (ZOCOR®). When the drug patent expires and generic drugs enter the market the generic name is there to be used on those products, thereby preserving the distinctiveness of the pharmaceutical company's trade mark.
42. Encouraging the public to use an alternative generic name for a novel product does not always work. Coining a generic name that will catch on with the relevant public is a tricky business. NINTENDO® appears to have successfully pushed the generic name "games console" into the lexicon but it is doubtful whether anyone has ever referred to a TRAMPOLINE as a "rebound tumbler" or ASPRIN as "monoacetic acid ester of salicylic acid".

## **Brand Management**

43. The logical starting point in developing an effective brand management strategy is to identify the target market (purchasers and prospective purchasers) and give careful consideration to the structure of the product market. Does your client sell directly to end-consumers or is their product sold only through the trade so that members of the trade are normally involved in the purchasing decision? Is your client's product exclusively sold to the trade for incorporation into another product which is then on-sold to end-consumers who may never be exposed to

your client's trade mark? Asking questions of this nature will enable you to work with your client to develop a targeted and cost effective brand management strategy to preserve the distinctiveness of your client's mark.

44. Authority suggests that your client's brand management strategy should be focussed primarily on ensuring proper and correct use of the mark by the proprietor to end-consumers.<sup>41</sup> Putting effective strategies in place to police infringing use of the mark by competitors will also be essential. Misuse by the public may also require attention, at least to the extent that it has the potential to influence consumer use and understanding of the trade mark.
45. Once you have developed a brand management strategy appropriate to your client's product or service make sure that it is documented in a formal policy document and that your client has systems in place to communicate it to all relevant personnel. This includes systems for updating the policy and supporting it through staff training when it is first launched, and through induction training for new employees.

### **Record keeping**

46. Documents that demonstrate how the proprietor has used and promoted its trade marks will play an important part in enforcing and maintaining them. Good record keeping may be very helpful should your client's mark ever be challenged on the basis that it has become generic.
47. Encourage your client to appoint a single point of contact within the organisation for all trade mark-related matters and to act as a repository of trade mark-related documents and information. Publicise their role within the organisation and on the company website.
48. Check that your client is aware of the importance of retaining records and that it has systems in place to keep the following:
  - a. dated copies of brand management policies and brand style guides;
  - b. dated samples of product packaging and labelling showing the trade mark;
  - c. dated samples of advertising and promotional materials bearing the trade mark;
  - d. for new trade marks, invoices, purchase orders and other sales records to show when the mark was first used;

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<sup>41</sup> See, for example, *Royal Doulton Tableware v Cassidy's Ltd* (1984) 1 CPR (3d) 214 (FC) at 226.

- e. sales records showing revenue and units sold in relation to goods or services provided under the trade mark;
- f. any market research that records consumer recognition of company's goods or services marketed under the trade mark; and
- g. carefully documented records of all efforts to police misuse of the mark.

#### **Proprietor use**

49. A trade mark gains legal strength the more often it is used correctly in different contexts. Accordingly, the most effective way in which a proprietor can influence the relevant public to perceive its trade mark as a badge of origin is to use the mark in a way that makes it perfectly clear to the relevant public that it is a trade mark and not the name of the product. Depending on the structure of the product market this may also include educating the trade to do the same.
50. One of the best ways to achieve proper and consistent use of the trade mark by the proprietor is to establish formal guidelines for how the trade mark is used. A brand style guide operates to ensure that those involved in marketing are aware of the importance of correct and proper use of the registered trade marks. The brand style guide can also be provided to relevant third parties such as advertising agencies and, if applicable, trade merchants, to further ensure consistency of message.
51. Recommendations for trade mark proprietors looking to reinforce the status of their trade mark include:
  - a. Identify the trade mark as a registered trade mark on product packaging and in advertising through use of the ® symbol. Otherwise make the brand stand out from the words surrounding it by using capital letters, bold type, colour, quotation marks or a combination of the above. For example:  
  
 DishDrawer® dishwasher  
  
**DishDrawer** dishwasher
  - b. Ensure proper grammatical use of the trade mark in both internal and external communications, including advertising. Trade marks are attributive modifiers used to identify the source of the goods or services noun that they describe. To emphasise that the trade mark is not the name of the product the registered mark should ideally be followed by the generic name or the word "brand". For example:

iTunes® application

Kleenex® tissue

Xerox® photocopier

Band-Aid® brand adhesive bandages

- c. Ensure that the word mark is used consistently in the form in which it is registered in both internal and external communications. Do not deviate from the registered spelling. Do not pluralise word marks registered in the singular and do not singularise word marks registered in the plural.

Incorrect: "Kids love LEGOS."

Correct: "Kids love LEGO® bricks".

- d. Avoid using the trade mark as a verb, particularly in advertising. For example:

Incorrect: "Just GOOGLE® it".

Correct: "Use the GOOGLE® search engine".

- e. Where house brands are being used in combination with sub-brands ensure that each trade mark retains its separate identity through proper use of the ® symbol and, if necessary, use of the generic name. For example:

HOLDEN® COLORADO® truck

- f. Develop product range under the brand so that it is not associated with a particular product. In the United States Johnson & Johnson have done this effectively with its BAND-AID® brand by adding other products to the range such as foot-care products and antiseptic washes.

- 52. Bear in mind that reinforcing the status of the trade mark religiously can make for some tortuous English. In particular, the consistent use of a generic name along with the trade mark is an ideal and not a requirement. It is not mandatory for a trade mark proprietor to engage in redundancy in its advertising where context of usage will often supply the generic name. It is sufficient if the relevant public is made aware that the word is a trade mark by the association of the mark with the generic words in a context of normal literary style.

### ***Monitoring the product market***

- 53. Monitoring and actioning misuse of the trade mark by competitors is another essential element of an effective brand management strategy. Allowing

competitors to misuse the proprietor's trade mark is one of the fastest ways in which a trade mark can lose its distinctiveness. Put monitoring systems in place to police misuse of the registered trade mark by competitors. Prime your client to report any infringing use by competitors immediately and assist them to take prompt action to prevent further misuse. Those steps could include a letter before action and, if necessary, filing legal proceedings.

54. Border protection notices can be another effective way of monitoring and policing misuse in the market.
55. Notify relevant third parties of the fact of registration. Contact IPONZ to ensure that the trade mark is included on that organisation's list of registered trade marks that cannot be used in trade mark or patent specifications. Consider approaching trade organisations to ensure that they are aware of the fact of registration and know how to use the mark correctly.
56. Where applicable, special attention should be given to online secondary markets, such as Trade Me and, in the Australian context, eBay. These online marketplaces provide consumer-to-consumer and business-to-consumer sales services via the Internet. Their popularity suggests a capacity to influence (or at least reflect) consumer perception of trade marks in a commercial context. Trade Me has policies for dealing with intellectual property complaints and an intellectual property liaison officer. Review the policies carefully and contact them directly to see what they can offer. Open an account and use Trade Me's watch-list service to receive notifications of listings incorporating reference to the trade mark and take action with Trade Me as appropriate.

### ***Other steps***

57. Monitoring for misuse of registered trade marks by the public in non-commercial fora is likely to be a secondary consideration for most businesses. Saying that a registered trade mark is a generic name is not illegal and the Trade Marks Act 2002 (NZ) offers no remedies against non-commercial generic use. All the trade mark proprietor can do is write polite letters to the publisher or editor requesting them not to use the mark in a generic sense.
58. It is also worth bearing in mind that approaching editors or publishers to complain about generic reference requires a sensitive touch. The tone of the correspondence will be important least it generates a negative backlash for the business.

59. The proliferation of information and communication platforms in the Internet age presents its own logistical and financial challenges. Limited budgets require a targeted approach.
60. If the causation element of s 66(1)(c) is to be interpreted as imposing a duty on trade mark proprietors to take active steps to protect the distinctiveness of their marks in non-commercial fora then it may be necessary to provide them with a corresponding right to do so. European law offers such a limited right. Article 10 of the Community Trade Mark Regulations provides that if the owner of a Community mark complains about a generic reference in a dictionary, encyclopaedia or similar reference work, then the publisher is required to amend the reference by stating that the designation is a registered trade mark.<sup>42</sup>

#### Monitoring media use

61. Media monitoring services such as iSentia enable trade mark proprietors to monitor use of their trade mark in the media, including on Social Media platforms.
62. Proprietors could also consider approaching newspaper editors and business journalists to ensure proper use of their trade mark in trade publications and in the general media.

#### Monitoring dictionaries

63. The mere appearance of a term in a generic sense in dictionaries is not proof that a registered trade mark has become a common name in general public use. Dictionary definitions cannot be conclusive that a mark has become generic if for no other reason than they may simply reflect lexicographical judgment and editing which may distort a word's meaning or importance. Moreover, dictionary references do not necessarily reflect consumer use and understanding of a trade mark in a commercial context.<sup>43</sup>
64. Nevertheless, as dictionary entries are commonly relied upon by applicants for revocation it is advisable to monitor domestic dictionaries and write appropriate letters to their publishers asking them to cure references which use a registered trade mark in a generic sense.

#### Social media

65. Misuse of trade marks on social media platforms such as Facebook and Twitter is a difficult issue given that it is next to impossible for a trade mark proprietor to

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<sup>42</sup> Regulation 207/2009 on the Community Trade Marks [2009] OJ L78/1.

<sup>43</sup> *Hasbro Inc v 123 Nahrmittel GmbH*, above n 15, at [171].

control user-generated content. The authors' view is that misuse in social media is unlikely to be regarded as probative evidence that a registered mark has become a common name in general public use in a purchasing context. Tweets or blog posts are at best documentary hearsay statements made by people whose identity is usually unknown and which cannot be tested in court. However, there remains a risk that misuse on social media will influence public perception of the mark if it becomes sufficiently widespread.

66. Again, the best advice to a brand owner is to ensure that it is using its own trade mark properly in these fora. Consider a social media presence such as a Facebook page or a Twitter account to provide product information and publicise promotions and sponsorship activities. Investigate other social media platforms as appropriate to the particular product or service market.

### **Raising generic names from the public domain**

67. In the authors' view it will be difficult to rehabilitate a trade mark that has entered the lexicon as a common name in general public use. The possibility that a generic name could change its meaning must remain open but it may take many years and a radical change in consumer usage to reclaim a generic name from the public domain to trade mark significance.
68. One strategy involves corrective advertising of the kind undertaken by XEROX® in a number of jurisdictions. In the early 1970s, XEROX's market share saw the term "xeroxing" become part of office vocabulary in the United States. Anticipating trouble the company opted for an aggressive advertising campaign in an effort to re-educate the public and persuade them to use the verb "to photocopy" instead. "When you use 'Xerox' the way you use 'asprin'" read one advertisement "we get a headache".
69. In many countries BAND-AID® is used as a generic term for sticky plasters. It has also entered the lexicon as meaning a temporary fix for a problem. Johnson & Johnson adopted a number of counter-measures. It adopted a more rigorous approach to identifying its BAND-AID® brand as a trade mark in advertising and promotion. This included changing the lyrics of its famous jingle from "I am stuck on Band-Aids, 'cause Band-Aid's stuck on me!" to the more tortuous "I am stuck on Band-Aid brand, 'cause Band-Aid's stuck on me!". In addition, the proprietor developed a product range around its BAND-AID® brand in an effort to ensure that it was not associated exclusively with adhesive bandages.
70. In 2002 Sellotape New Zealand undertook a pre-emptive public education programme designed to educate the public that SELLOTAPE® was a brand name



and not a generic name for adhesive tape before s 66(1)(c) came into force. This included public advertising as well as sending letters to publications and people using the word generically to warn them that SELLOTAPE® was a registered trade mark and not a generic name. In 2004 Clorox took out newspaper advertisements asking the public to refer to their GLAD WRAP® product as Glad Wrap plastic food wrap or Glad Wrap brand wrap.

### **III Litigating claims that a mark has become generic**

71. A review of the law reports suggests that applications for revocation on the ground that a registered mark has become a common name are rare; successful ones even more so. There have only been two such applications under the Trade Marks Act 2002 (NZ), neither of them successful. This part of the paper considers the issues that arise in running or defending an application for revocation, including recommendations on evidence gathering and possible strategies for both applicants and respondents.

#### **Advising on applications for revocation**

72. Bringing a successful application for revocation is uncertain, difficult and likely to be extremely costly. Clear and cogent evidence will be required and may be difficult to obtain. Mounting an all-out attack on a competitor's well-known brand may risk a public backlash to the applicant's own brand and business. If there are alternative options then they should be seriously considered.
73. Applications for revocation commonly arise as affirmative defences to infringement claims. A defendant to an application for infringement wishing to make an application for revocation needs to give careful consideration to the relevant date, which is presumptively the date on which the application is filed. If the applicant wishes to contend for an earlier date to avoid a finding of infringement then it will need to explicitly plead that earlier date and focus its evidence on proving the state of the mark as at that date.
74. The authors recommend seeking an advice on evidence from specialist counsel early.
75. Applicants should also consider the most appropriate forum. In New Zealand applications for revocation may be made to the Commissioner of Trade Marks or in the High Court. An originating application to the High Court seems preferable given the level of case management that may be required and the importance of obtaining discovery.

## **Evidence gathering**

76. In New Zealand the admission of evidence is governed by s 7 of the Evidence Act 2006 (NZ). Section 7(1) provides that all relevant evidence is admissible unless expressly excluded and subs (3) explains that evidence is relevant to a proceeding if it has a tendency to prove or disprove anything that is of consequence to the determination of the proceeding.
77. Before embarking on the evidence-gathering task it is essential to identify the relevant public to whom the trade mark is directed. The English, American and New Zealand Courts have all sought to emphasise the importance of focusing the enquiry upon the use of the word in context, how it is used and how it is understood in the course of trade.<sup>44</sup> Accordingly, it would be prudent to focus the evidence gathering task on the purchasers and prospective purchasers of the proprietor's goods or services whose perception and understanding of the contested mark will determine its state. It is also essential to gain a thorough understanding of the proprietor's product or service market. This will tell you "where to look" to obtain the most relevant and probative evidence to prove (or defend) a claim of genericism.
78. It is worth bearing in mind that the goal is not merely to avoid irrelevant evidence but to put evidence before the court that is likely to be of real value.

## ***Timing***

79. Evidence gathering should focus on proving the state of the mark as at the relevant date.
80. In gathering evidence to prove or disprove causation only the proprietor's acts or inactivity subsequent to 20 August 2003 will be relevant.<sup>45</sup>

## ***Types of evidence***

81. The various forms of evidence which the courts have found relevant to the assessment of whether a trade mark has become generic include trade mark owner usage, competitor usage, consumer surveys, media usage and dictionary definitions. The authors of *Kerly* suggest that substantial independent evidence

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<sup>44</sup> *Hasbro Inc v 123 Nahrungsmittel GmbH*, above n 15, at [171]; *Wineworths Group Ltd v Comité Interprofessionnel du Vin de Champagne*, above n 4, at 337; *Waitomo Adventures Ltd v BWR Resources Ltd* HC Hamilton CP72/00, 26 April 2002 at [109]. In the US context *McCarthy*, above n 23, refers to the primary significance of the mark to the "buyer class".

<sup>45</sup> *Tasman v Knauf*, above n 11, at [149].

relating to the relevant product or service market might also come from persons of standing within the trade or from trade organisations and the like.<sup>46</sup>

82. In *DB Breweries Ltd v Society of Beer Advocats Inc*, the Assistant Commissioner observed that without direct evidence of the relevant state of mind of consumers an applicant is unlikely to be able to meet the heavy burden of proving that a mark has become generic.<sup>47</sup> It was further observed that indirect evidence of general public use would have to be significant to meet that threshold.<sup>48</sup>
83. In *DB Breweries*, the applicant for revocation relied upon pro-forma statutory declarations from 40 members of the trade, opinion evidence from marketing experts and the owner's own use of the word RADLER on its product packaging and on its website. The Assistant Commissioner rejected the statutory declarations.<sup>49</sup> They were not considered to be probative, primarily due to their pro-forma and leading nature but also because the evidence was not directed to proving consumer perception of the mark in New Zealand as at the relevant date.<sup>50</sup> The declarants were insufficient in number and not representative of the relevant public, being predominantly members of the trade. They were also considered to lack independence. The expert marketing evidence was also rejected on the basis that it was not relevant to determining consumer perception in the market.<sup>51</sup> The evidence of the trade mark owner's own use was taken into account, but the Assistant Commissioner did not consider that it supported the applicant's contention that RADLER was regarded as a generic name by the New Zealand public.<sup>52</sup>
84. In *Tasman v Knauf*, the allegation was that BATTS® had become a common name in general public use to describe pieces of fibrous insulation.<sup>53</sup> The applicant did not lead any direct evidence of consumer perception. Instead it relied on indirect evidence in the form of Trade Me listings and the results of an extensive search of the Internet for examples of generic use of the word "batt" or "batts".<sup>54</sup> The High Court implicitly accepted that both categories of evidence were relevant (and therefore admissible) but noted significant issues as to

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<sup>46</sup> *Kerly's*, above n 11.

<sup>47</sup> *DB Breweries Ltd v Society of Beer Advocats Inc*, above n 9, at [128].

<sup>48</sup> At [128].

<sup>49</sup> At [127].

<sup>50</sup> At [81].

<sup>51</sup> At [78].

<sup>52</sup> At [80] and [84].

<sup>53</sup> *Tasman v Knauf*, above n 9.

<sup>54</sup> At [112].

weight.<sup>55</sup> Tasman's own use of its mark was relied on as part of the collection of discovered documents.<sup>56</sup> The applicant also led evidence from a single member of the trade who gave hearsay evidence that the majority of customers he came into contact with used the word "batts" as a generic name for the type of insulation product that they wanted.<sup>57</sup> Brown J held that collectively, this evidence was not of a quantity or quality to cause the Court to be satisfied that the contested mark had become a common name in general public use for pieces of fibrous insulation.<sup>58</sup>

#### The Internet as a source of evidence

85. The Internet can be a significant evidence-gathering tool for an applicant looking to gather a large quantity of examples of generic use of the contested mark. Nevertheless, the obligation to provide the court with quality evidence of consumer understanding requires a careful and targeted approach.
86. While Internet searches can throw up what may appear to be a large quantity of generic references in a number of different contexts consideration will need to be given to issues of admissibility and weight. If the material does not inform consumer use and understanding of the mark in the context of purchasing decisions it is unlikely to be of significant evidential value. If the material relied upon is obscure, or there is no accompanying evidence that it was accessed or viewed by any significant number of the relevant public in the jurisdiction, then it may not meet the admissibility threshold.<sup>59</sup>
87. In *Tasman v Knauf*, the two main sources of evidence of genericism relied upon by the applicant were sourced from the Internet. The High Court accepted that both were relevant (and therefore admissible) but observed that there were issues as to the evidential value and hence utility of much of the material derived from the applicant's process.<sup>60</sup>
88. The applicant's analysis of discovered documents was the result of Internet searches conducted for the purpose of locating publicly available information demonstrating generic references to "batt" or "batts". This information was presented in a summary chart, which was divided into twelve categories. While it included "Consumer" and "Trade" categories and a category covering Tasman's

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<sup>55</sup> At [120] and [131]–[135].

<sup>56</sup> At [120].

<sup>57</sup> At [130].

<sup>58</sup> At [135].

<sup>59</sup> *DB Breweries Ltd v Society of Beer Advocats Inc*, above n 9, at [130].

<sup>60</sup> *Tasman v Knauf*, above n 9, at [134].

own use, there were a number of other categories which Tasman submitted were not substantially helpful in assessing consumer use of and understanding of the word “batts” in a commercial context. Those categories included dictionaries, academic institutions, decisions of New Zealand courts and tribunals, Government institutions and patent and trade mark registrations. The Court accepted that there was force in that criticism.<sup>61</sup>

89. The Trade Me evidence was more obviously relevant to ascertaining consumer perception of the mark in the insulation market because it comprised a mixture of trade and end-consumer usage in a secondary market. This evidence took the form of a spreadsheet which contained all listings incorporating the words “batt” and “batts” since 2002. This evidence was presented through a witness, who filtered the listings and sorted them into five colour-coded categories (by reference to the title and the body of the listings). Tasman submitted that more than 80% of the listings demonstrated a proprietary understanding of its BATTS® trade mark. While the balance of this material did disclose a relatively small percentage of apparently generic usage the evidential difficulty arising from much of this material was that it was insufficiently probative as to whether the traders concerned were using the word in a proprietary sense or as a generic descriptor.<sup>62</sup>

#### Consumer surveys

90. On a conceptual level, market survey evidence appears best suited to proving consumer perception. Nevertheless, applicants for revocation might reasonably regard such evidence as too vulnerable a method of proving consumer perception.
91. In New Zealand it is well settled that market survey evidence is admissible as proving a public state of mind on a specific question or that a designated opinion is held by the public or part of the public.<sup>63</sup> Market surveys are relied upon relatively regularly in intellectual property proceedings in a number of different contexts: to prove distinctiveness for the purpose of registration and to prove likelihood of confusion and deception in trade mark infringement, passing off and Fair Trading Act cases.<sup>64</sup> However, it is fair to say that as knowledge about the methodology of the conduct of surveys has grown judges have become more

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<sup>61</sup> At [133].

<sup>62</sup> At [123]–[126].

<sup>63</sup> *Customglass Boats Ltd v Salthouse Bros Ltd* [1976] 1 NZLR 36 (SC).

<sup>64</sup> For a detailed review of the New Zealand experience to 2007 and the issues that arise in relation to survey error see Professors Hoek and Gendall's excellent paper, *The Use of Survey Evidence in Intellectual Property Disputes* (Legal Research Foundation, 2007).

sceptical about the value of market survey evidence unless it can be demonstrated that it has been conducted rigorously.<sup>65</sup>

92. In *Auckland Regional Authority v Mutual Rental Cars (Auckland Airport) Ltd* Barker J quoted from two cases which laid down detailed requirements for the admissibility of survey evidence:<sup>66</sup> *Greynell Investments Pty Ltd v Hunter Douglas Ltd*,<sup>67</sup> a unreported decision of Lockhart J in the Federal Court of Australia, and *Imperial Group Plc v Phillip Morris Ltd*.<sup>68</sup> (The criteria set out in *Imperial Group* have since become known in England as the “Whitford guidelines”.) While Barker J was not prepared to say that evidence which fails to meet the Whitford guidelines is necessarily inadmissible in New Zealand His Honour considered that they did offer a measuring stick for market survey evidence.<sup>69</sup> Of the criteria identified, the two essential requirements were that the respondents were selected so as to represent a cross-section of the relevant public and that the precise instructions to the interviewers as to how to carry out their survey were disclosed.<sup>70</sup>
93. What is clear is that care must be taken to ensure that the survey is fairly designed and administered, targeted to the relevant universe, and appropriately directed at the issue of consumer perception as to the significance and meaning of the contested mark. Parties would do well to follow the Whitford guidelines and the benefits of engaging appropriate expert assistance with survey design and execution should be obvious.
94. It may be worth looking to the United States’ experience for guidance. *McCarthy* observes that in the United States consumer surveys have become almost de rigueur in this context.<sup>71</sup> The two models of surveys designed to test consumer perceptions that have been approved by United States courts are the Thermos Model and the Teflon Model. The Thermos survey generally describes the product, puts the respondent in an imaginary situation walking into a shop and asks how the respondent would ask for the product. The more widely-used

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<sup>65</sup> See, for example, the comments of the Court of Appeal of England and Wales in *J W Spear & Sons Ltd v Zynga Inc* [2015] FSR 19 (CA) at [162].

<sup>66</sup> *Auckland Regional Authority v Mutual Rental Cars (Auckland Airport) Ltd* [1987] 2 NZLR 647 (HC) at 657–659.

<sup>67</sup> *Greynell Investments Pty Ltd v Hunter Douglas Ltd* (1979) 4 TPR 173 (FCA).

<sup>68</sup> *Imperial Group Plc v Phillip Morris Ltd* [1984] RPC 239 (Ch).

<sup>69</sup> *Auckland Regional Authority v Mutual Rental Cars (Auckland Airport) Ltd*, above n 66, at 657–659.

<sup>70</sup> See also the discussion of Williams J in *Levi Strauss & Co v Kimbyr Investments* [1994] 1 NZLR 332 (HC).

<sup>71</sup> *McCarthy McCarthy on Trade Marks and Unfair Competition*, above n 23. at [12:14].

Teflon-type survey is essentially a mini-course in the generic versus trade mark distinction, followed by a test.

95. The timing of the survey is an interesting conceptual difficulty in this context where it is necessary to prove the state of the mark as at the (typically historical) relevant date. This issue does not arise in the infringement context where the likelihood of confusion is necessarily prospective. *McCarthy* suggests that if the survey has been taken at date different from the relevant date, this should only affect the weight, not the admissibility of the survey.<sup>72</sup>
96. A separate expert should be engaged to provide expert opinion evidence on both survey design and the conclusions that can properly be drawn from the survey results.

#### Dictionary definitions

97. Applicants frequently rely upon dictionary references to the mark as a generic name on the alleged basis that such definitions are reflective of consumer perception. While the courts generally accept that such references are relevant (and therefore admissible) they are never treated as determinative of consumer perception. In *Hasbro Inc v 123 Nahrmittel GmbH*, Floyd J observed that dictionaries were "*a dangerous guide if used in isolation*" and that "*the question in every case is not the definition of the words, but what the average consumer would understand, if he saw the mark in context, what the words were being used to mean*".<sup>73</sup> Should the dictionary reference record the proprietary meaning of the word or include a proprietary name disclaimer then this source of evidence will be of little assistance.

#### Summary of types of evidence that should be considered

98. Evidence to prove that a registered mark has become a common name in general public use may include:
  - a. Competitors' Use: Infringing or generic use by competitors in the product market which has not been policed by the trade mark owner is strong evidence that the mark has become generic. Conversely, if competitors do not use the mark that may be evidence that it retains trade mark significance for the owner.

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<sup>72</sup> *McCarthy McCarthy on Trade Marks and Unfair Competition*, above n 23, at [12:17.50].

<sup>73</sup> *Hasbro Inc v 123 Nahrmittell GmbH*, above n 15, at [171].

- b. Proprietor Use: If the trade mark owner uses its mark as a generic name in its own promotional materials that is strong evidence from which public perception may be inferred.
- c. Consumer Surveys: Consumer surveys can be helpful in proving the state of the mark provided that they are rigorously conducted. They should be supported, where appropriate, by expert opinion evidence on the survey design and on the inferences that may properly be drawn from the survey results.
- d. The Trade: Objective evidence of how the trade uses the mark in its dealings with consumers will also be highly relevant and probative of consumer perception. The subjective opinions of friendly employees and trade merchants are likely to be of little weight.<sup>74</sup>
- e. End-consumers: For similar reasons direct testimony from individual purchasers and prospective purchasers is unlikely to be regarded as helpful in proving consumer perception.
- f. Secondary markets: If applicable, evidence of usage of the mark in secondary markets such as Trade Me and eBay will be relevant and persuasive evidence of how the relevant public perceives the mark.
- g. Media Usage: Evidence of generic use of the mark in media such as trade journals and newspapers may be reflective of consumer perception. Issues of relativity arise. Where media usage is mixed this source of evidence may be so indeterminate as to be insufficient proof of generic meaning.
- h. Dictionary Definitions: Dictionary definitions may be relevant in determining public usage but are not conclusive evidence that a mark has become a common name. In particular they may say nothing about how a word is used and understood in a commercial context or the degree to which the word is used as a common name.
- i. The Internet: Search engines can quickly produce vast quantities of evidence of news and social media generic uses of a mark. Whether that evidence is relevant or admissible to prove consumer perception is a separate question that can only be answered by reference to the particular features of the product or service market in issue.

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<sup>74</sup> Refer the discussion in *Interflora Inc v Marks and Spencer Plc* [2013] FSR 21 (CA) at [60]–[76].



One Internet-based search tool that may be particularly useful in gathering evidence of the way in which the trade mark owner has used its own mark to the relevant public is the Internet Archive (the Wayback Machine).<sup>75</sup> The Wayback Machine is a tool which enables users to search archived copies of webpages simply by entering a URL.

99. Evidence to prove/disprove causation includes:

- a. Proprietor's Use: Evidence of consistently correct and proper use of the mark by the trade mark owner is strong evidence of protective "acts". Conversely, if the owner has used its mark in a generic sense then this will be persuasive evidence of causative "acts". Depending on the structure of the product or service market evidence of the owner's efforts to control use of its mark by the trade to end-consumers will be strong evidence of protective "acts".
- b. Proprietor's other "acts" or "inactivity": Evidence of the trade mark owner's efforts (or lack thereof) to police misuse of its mark in the market will be persuasive evidence of protective "acts" or causative "inactivity". Evidence of efforts to prevent generic use of the mark in commercial contexts will also be relevant and persuasive. In defending a claim for genericism it may be helpful to lead evidence of steps taken by the owner to monitor misuse of its mark in non-commercial fora.
- c. The Internet: The Wayback Machine may provide useful evidence as to the trade mark owner's historical "acts" and "inactivity".
- d. Expert Evidence: Evidence from leading trade mark practitioners who regularly give brand management advice may assist in proving or disproving causation. Such evidence should be directed to an assessment of the trade mark owner's own use of the mark and other aspects of its brand management strategy. It will be counter-productive for your expert to give opinion evidence on the state of the contested mark. Similarly, experts may not give evidence on the meaning of domestic law.

### **Trial Strategies for Applicants**

100. The following are some recommended trial strategies for applicants:

- a. **Use the discovery process effectively**: The proprietor is likely to have a number of documents that will assist your case, both as to proving the

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<sup>75</sup> [www.waybackmachine.org](http://www.waybackmachine.org).

state of the mark and in relation to proving causation. Target these documents through tailored discovery.

- b. **Focus on quality evidence over quantity:** The best evidence is evidence that is directly relevant to ascertaining consumer perception in the relevant product market.
- c. **Quantity can be important too:** Use indirect evidence to supplement or reinforce direct evidence of consumer perception.
- d. **Consider effective ways to present evidence:** Hopefully you have obtained voluminous evidence of generic use of the contested mark. Now consider how best to present it to the court. Producing a summary or chart through a witness may be the best means of presenting voluminous documentary evidence.<sup>76</sup>
- e. **Use technology and exhibits effectively:** Exhibits bring the contest to life for the judge and are an effective tool of persuasion. That is particularly so in trade mark cases where advertising and promotional materials are in issue. Deploy physical exhibits where appropriate. Use technology to display advertising and promotional materials, especially television advertisements, to maximum effect.
- f. **Elicit helpful evidence in cross-examination:** Consider whether the respondent's witness might have anything useful say on the key issues, particularly in relation to causation.

### **Trial Strategies for Respondents**

101. The following are a selection of possible trial strategies particular to respondents:
- a. **Run a positive case:** Do not rely only on the burden of proof and undermining the applicant's case in cross-examination. Seek to persuade the judge that your client's mark retains trade mark significance to the relevant public. Proffer quality evidence from the relevant personnel within the organisation with a particular focus on how the mark has been used to the relevant public. Consider commissioning a consumer survey. Consider whether the applicant's evidence in fact supports your client's case.
  - b. **Review the applicant's evidence carefully:** Does it include irrelevant and inadmissible evidence? Has the applicant sought to rely on evidence

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<sup>76</sup> Evidence Act 2006 (NZ), s 133.

prior to 20 August 2003 or subsequent to the relevant date? Is the evidence probative of consumer perception in a commercial context or is the applicant seeking to rely primarily on evidence of misuse in non-commercial fora? Does the applicant rely on documentary hearsay? Challenge the admissibility of irrelevant evidence and address other evidence through cross-examination or as a matter of weight.

- c. **Challenge survey evidence:** Consider whether the validity of survey evidence can be challenged through cross-examination by reference to the Whitford guidelines. Engage a survey expert to assist you with this task.
- d. **Do not forget causation:** Remember that even if the mark is found to be a common name in general public use it will not be revoked unless the applicant can prove that it is the trade mark owner's fault. Although the burden remains on the applicant, a respondent will need to run a positive case on causation and address any allegations of "inactivity" by way of reply evidence. Lead evidence of the protective "acts" your client has engaged in to preserve the distinctiveness of its mark. Evidence of proper own use will be particularly helpful as will evidence of the client's efforts to police infringing and other types of misuse of its mark in the market and in different contexts. Review evidence alleging "inactivity" carefully to ascertain if your client took any active steps to police the misuse relied upon.

## CONCLUSION

102. This paper has endeavoured to analyse the statutory test for revocation and provide practical advice to practitioners in this area. At present brand owners may take some comfort from the fact that successfully revoking a trade mark on the basis that it has become a common name in general public use is a difficult task. The threshold for revocation appears to have been set high and gathering direct evidence of consumer perception may be prohibitively difficult and expensive. Applicants for revocation appear to be caught between the rock of the "*interminable parade of witnesses*"<sup>77</sup> and the hard place of obtaining reliable market survey evidence that will not be destroyed on cross-examination. The cases suggest that it may be difficult to prove that a mark has become generic solely on the basis of indirect evidence. The challenge for trade mark practitioners is to identify valuable sources of evidence of consumer perception by

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<sup>77</sup> *Customglass Boats Ltd v Salthouse Bros Ltd*, above n 63, at 42.

reference to the product or service market in question and deploy that evidence effectively in litigation.