IN THE SUPREME COURT OF NEW ZEALAND

SC 21/2007

BETWEEN **AUSTIN, NICHOLS & CO INC**

Appellant

Appellant

AND **STICHTING LODESTAR**

Respondent

Coram: Elias CJ
Blanchard J
Tipping J
McGrath J
Anderson J

Hearing: 17 October 2007

Counsel T J Walker, E C Gray and R C Watts for Appellant
B P Henry, K Elcoat and T Walker for the Respondent
A H Brown QC for Intervenor – International Trademark Association

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CIVIL APPEAL

10.04am

Walker May it please the Court Miss Walker appearing for the appellants with my learned juniors, Mr Watts and Mr EC Gray.

Elias CJ Thank you Miss Walker.

Henry May it please the Court, Henry for the respondent with Miss Elcoat and Mrs Walker.

Elias CJ Thank you Mr Henry.

Brown Your Honours Andrew Brown for the Intervenor, International Trademark Association.

Elias CJ Yes thank you Mr Brown. Yes Miss Walker.

Walker Yes may it please the Court, subject to any direction from Your Honours what I propose to do is provide a brief oral overview in summary before turning to the issues formulated by this Court and then turning to the Court of Appeal judgment.

Elias CJ Thank you.

Walker The contest is as to the registerability of the WILD GEESE as a trademark in class 33, for alcoholic beverages, wine, spirits, and class 32 as to beers. The appellant is the owner of a longstanding mark in New Zealand. It's the WILD TURKEY trademark in class 33 for class 33 for whisky and WILD TURKEY Kentucky Legend label in the same class. The mark has been used very extensively in New Zealand since the late 1980s. It's been well accepted at every stage of this contest that the appellant has established that reputation in New Zealand and it is a well-known trademark. The contest then engages sections 16 and 17 of the 1953 Trademarks Act. Now s.16 being an absolute ground of refusal and s.17 relative grounds of refusal requiring comparison of trademarks. And the broad question on this appeal is what does the right of appeal from a decision of the Assistant Commissioner of Trademarks under s.66, ss.3 of the 1953 Act entail. Or that could be re-phrased perhaps as what consideration or regard or weight should be given to the decision to the Assistant Commissioner at first instance. Now within this the two issues have been formulated by this Court. The first is was the Court of Appeal formulation correct. On the appellant's submission the answer to that is clearly no. A curial difference to the decision of the Assistant Commissioner which I say is proposed by the Court of Appeal is inconsistent with the nature of the appeal right, which is very clearly expressed in s.66. In my submission it narrows or circumscribes the scope of that appeal as inconsistent with a number of authorities. The leading authority to date being the *Heineken* authority in the Court of Appeal. It is also inconsistent with what is an accepted approach across other registered intellectual property rights and that is the patent jurisdiction and the registered design jurisdiction and in my submission that formulation by the Court of Appeal effectively amounts to a sea change without any policy justification. In short it has the effect of entrenching decisions of the Assistant Commissioner, because the end result is it would prove extremely difficult to successfully appeal such decision but in the main they are evaluative assessments based on multi-factorial analyses.

Elias CJ Is there really anything much more to be said than that you say the test adopted doesn't confirm with the statutory right of appeal as interpreted in the authorities you've taken us to?

Walker That is the starting point in the key primary points, yes Your Honour.

Tipping J And the key point is the Court of Appeal saying that the High Court couldn't intervene unless the decision of the Assistant Commissioner was wrong.

Walker Fairly characterised as wrong.

Tipping J The word 'wrong' is really the central point isn't it?

Walker That is the key. That moves what is essentially an appeal right de nova and we hear on de novo appeal closer to the general appeal one would see in respect of an appeal from the District to the High Court or from the High Court generally to the Court of appeal, and that is inappropriate bearing in mind the express direction in s.66.

Elias CJ You're going to take us to the Court of Appeal decision of course

Walker Yes Your Honour, yes.

Elias CJ But is that the passage you principally rely on or is it the reference to deference.

Tipping J It's in the same paragrapah.

Walker It's in the same paragraph, para.30, but the reference to deference must be seen in the context of the second statement in that paragraph, or the second part of the paragraph, which is fairly characterised as wrong, and in my submission with respect, what the respondent has done is ignore the second part of that paragraph and simply say well what the Court of Appeal intended was that deference is interchangeable with due regard, consideration etc. That cannot be because that is to ignore the second part of para.30, the very key part being fairly characterised as wrong.

Tipping J Well that is the Court of Appeal's definition or explanation of what they meant by deference.

Walker Well what they say is that there must be deference unless the decision can be fairly characterised as wrong. So they are leaving open the possibility as did Court in the *Aquatech* application for leave, that there may be instances where no deference at all, no regard, no consideration at all should be paid to a decision where it is clearly wrong, and *Aquatech*

Elias CJ I wonder whether it does fairly characterise the decision, well whether the Court is astray in saying that the High Court didn't have to consider that the decision was wrong. It's not the same thing as saying clearly wrong. I know it goes on to invoke by the reference to deference a different standard, but even where you differ on a value judgment on a re-hearing, you form the view that in your opinion the decision taken

by the lower Court was wrong, so I don't have any problem myself with the reference to wrongness.

Walker Well Your Honour in my submission that's not what is indicated by the reference to fairly characterised as wrong. Where it's a hearing de novo and decision-makers take two conflicting decisions, generally the decision-maker accepts that there could be two answers to this, and two decision-makers may come to two different decisions. That in my submission is different from characterising a decision as wrong and that perhaps is the difference.

Tipping J It's this rather awkward use of the word 'because' joining the two concepts which I've wondered about.

Elias CJ Well they've adopted haven't they the view that if it was open to the Assistant Commissioner then the High Court shouldn't intervene and that you say and I must say I provisionally accept is wrong.

Walker Correct, yes.

Elias CJ Yes.

Walker In a nutshell. Perhaps if I come back to the formulation in the Court of Appeal in a moment and just identify the second element of the issues as formulated by this Court which is if the answer to the first question is 'no' and the formulation of the Court of Appeal was wrong, what approach should have been taken by the High Court, and there's a subsidiary or equally important, but second element to that which is how shall we appeal against the Assistant Commissioner's decision and are we determined, and come back to the point is the hearing de novo, and that much has been conceded by the respondent, so the real nub of this is what sort of regard, what sort of consideration needs to be paid to the decision of the Assistant Commissioner at first instance.

Elias CJ Sorry, when you say it's a hearing de novo, and not looking at the authorities, is that saying anything more than that it is a general appeal?

Walker Yes in my submission that is different from, perhaps the best way to describe a hearing de novo is in contra-distinction to the approach on a general appeal. On a de novo it's a fresh consideration where there's no presumption in favour of the first decision appealed from.

Elias CJ Well how does that differ from a general appeal?

Walker The way in which general appeals are approached and the general terminology used is still re-hearing, is that the practice built up is to look specifically at the issue or decision challenged. If it's an exercise of a discretion there are of course very special rules around that in terms of 'will not be interfered with unless it's been exercised on a wrong principle or is

Elias CJ But this isn't a discretionary decision.

Walker It is not a discretionary decision, no.

Elias CJ This is an evaluation of fact.

Walker It's an evaluative assessment, which in my submission the High Court was equally placed to reach a conclusion on.

McGrath J Isn't a feature often of a de novo appeal perhaps generally of a de novo appeal that you're starting again with the evidence so whilst in those circumstances it's roughly to have a look at the decision below you you've got the whole case freshly before you?

Walker Including factual issues?

McGrath J Yes.

Walker Yes.

McGrath J But I wonder Miss Walker whether in this area it's not best to try and start with what the statute's requiring rather than getting into the various categorisations of appeals. I just wonder whether in this area the statute hasn't generally been read as requiring a merits review of the matter, having regard to what the Commissioner's done but bearing in mind as was done in the *Heineken* case, but basically the Judge in the end were happy to reach his or her own view on the merits of the matter. But that's a High Court appeal of course.

Walker Yes.

Elias CJ Well that's as I would characterise a general appeal. I know there are

McGrath J It is easy to leap to characterisations but I think the statute must show us where we go and that for my mind it meant there is a merits review element isn't there that appears in the statutory language?

Walker There is definitely a merits review element, and the difference perhaps on the general appeal is the relucting or reluctance to interfere with findings of fact from the lower tribunal. In a de novo

Elias CJ But statute doesn't refer to an appeal by way of re-hearing or de novo

Walker No.

Elias CJ And the only indication, the only nudge is the indication that the Court can exercise the same discretionary powers, but we're not here concerned with the exercise of the discretionary powers, so we have a bare appeal and a general appeal I have always understood to be an

appeal in which the appellate Court can come to a different view on the merits.

Walker A different view on the merits but a view that pays deference to findings of fact; a view that

Elias CJ Well no, well I've, yes sorry but I really wonder if it's useful to use that word because that's redolent of supervisory jurisdiction rather than appellate jurisdiction, and the reason that the appellate Court will often accept findings of fact is because the trial Judge is usually in a better position to make them, but if the facts are inferences and so on the appellate Court doesn't regard itself as disadvantaged.

Walker I quite accept that the question is one of disadvantage and if it's a matter of oral testimony on which there has been cross-examination and the demeanor of the witness may be assessed by the trial Judge, then yes that is one position and that is different from inferences except that the point about an appeal by virtue of s.66 is that it's a specific statutory right of appeal. The mandatory direction that shall exercise the same powers as the Commissioner is the single most important

Tipping Shall have and may exercise.

Walker Shall have and may exercise and the may exercise is different from for instance the old UK legislation which otherwise had the same terminology 'shall have' and exercise without the insertion of may. But the insertion of may is simply that the High Court is entitled but not bound, so the High Court has all those same discretionary powers but may well form the view that looking at the merits afresh does not take a different view.

Elias CJ Well I just don't that s.66(3) adds anything to the fact that this is a general appeal, because that's concerned with insuring that the Court can exercise any discretionary powers that may have to be exercised in the appeal, but it isn't directed at the nature of the appeal. That's simply in s.66(1), which provides for appeal to the High Court, and it's a general appeal. In other words I think this is being made unnecessarily complicated. I am so far with you on the basis that if there's a general appeal the High Court is entitled to substitute its view of the merits for the Tribunal appealed from.

Walker But in my submission this appeal by virtue of its origins is of a different nature to a general appeal. It's a specific enactment; it doesn't rely on the general appeal provisions which state that appeals are by way of re-hearing. It has certainly been interpreted by *Heineken* and other authorities as being something of a different nature, so the only question is the degree of consideration to be given to the Assistant Commissioner's decision.

Elias CJ The provision about appeals being by way of re-hearing, what's that a reference to - The Judicature Act or the

Walker High Court Rules 718 from memory in relation to appeals in District to High Court and that's replicated in the Court of Appeal Rules also.

Tipping J But there's also a High Court Rule isn't there which says that any appeal that comes to the High Court of this general kind, not from the District Court but by under any statute shall, unless the contrary is specified in the enactment, be an appeal by way of re-hearing?

Walker Yes that's the one I'm referring to.

Tipping J That's the one you were referring to?

Walker Yes.

Elias CJ Is it only a rule, it's not in the Judicatory?

Tipping J It's a rule.

Walker It's a rule, yes.

Elias CJ Yes.

Tipping J Set in the 700 somewhere.

Walker 718.

Tipping J 718.

Elias CJ Thank you.

McGrath J Is it those rules that basically tie this appeal to the record of evidence that was before the Commissioner? Is it the general rules? There's no particular Trademark rules to do that?

Walker No Sir it's not the general rules, but in fact s.66 that ties to the record before the Assistant Commissioner. There's the ability to reduce further evidence in the High Court with leave and that is as I understand it commonly done

McGrath J Sorry, which provision is it though that stipulates that it's not a de novo appeal; you don't start again but did you rely on the record before the Commissioner with the ability to call further witnesses? I mean that's not in s.66 of the Trademarks Act is it?

Tipping J I think all that's in the rule, the High Court Rule.

McGrath J Well that's what I'm asking.

Tipping J Because that deals with

Walker I'm thinking actually it might be in the Regulations which I don't have in front of me so I can

McGrath J All I really wanted to know is whether it's to something special in the Trademark's Rules and Regulations

Walker Yes, in my submission it is a special jurisdiction. One doesn't rely

McGrath J Well at some stage could you point us to the particular provision?

Walker I'll try and locate the Regulations.

McGrath J Because I really want to know whether it's the general High Court Rules supplemented or excluded or whatever.

Walker In my submission and I'll check this point in terms of the Trademark Regulations, the High Court Rules are the default provision. They apply generally where there's no specific enactment. Here we do have a specific jurisdiction and as I say I'll check the Regulations in terms of the record.

McGrath J But we've got some specific rules that we look at first.

Tipping J There is another curiosity in that s.66(1) pre-supposes the right of appeal from somewhere else, because it just blandly says 'every appeal under this Act'.

Elias CJ It's very curious, that's why I

Tipping J Now can you assist in that respect? Is this the only murmuring of appeals in the Trademarks Act, this Act I mean, this 1953 Act?

Walker This is the provision in the Trademarks Act which provides for appeals to the High Court against decision of the Commissioner.

Tipping J Well it doesn't expressly, it presupposes that there's a right of appeal.

Blanchard J I think you have to read it though as there is a right of appeal against a decision of the Commissioner to the High Court.

Tipping J I'm sure I would wish to read it that way, but it's an odd way of putting it.

Walker As if the language is presupposed but elsewhere there is a

Tipping J I'm being duly deferential Mrs Walker. But I agree with the Chief Justice. I don't think 66(3) really touches on the nature of the appeal. It simply touches on the powers of the Court under the appeal.

Blanchard J Yes, it just recognises the fact that in an appeal of this kind it's not enough just to say well somebody won, you might have to do something further and so supplementary powers are expressly given.

Tipping J I don't think this necessarily shoots you down in flames but I just think this apparently ready assumption that this is an appeal by de novo, I have to signal too because I'm not by any means persuaded by the concession.

Walker Well the point is there's nothing in that section which circumscribes or limits the nature of the appeal, the scoping of the appeal right.

Tipping J Yes but I think the Rules, either the specific Trademark Rules or the High Court Rules in default will tell you what sort of appeal we've got here.

Elias CJ But I don't think you're arguing for an appeal de novo are you. You're asking for an appeal by way of re-hearing which enables the appellate Court to substitute its decision on merits.

Tipping J I think you want it to be de novo.

Elias CJ Well

Walker I don't want it to be de novo in the purest sense which is perhaps the sense of the Australian Court interpreted equivalent provisions in the *Jafferjee* case, which is the ability to re-hear the evidence if one of the parties so wishes, but it is not in my submission an appeal by way of re-hearing in the nature of a general appeal. One does not have to show that the decision at first instance is wrong. There is the ability

Elias CJ Well you always have to show that the decision at first instance is wrong.

Walker Well with respect I don't accept that

Elias CJ The appellate Court has to disagree with it.

Walker The obligation on the High Court is to assess on its own merits the issues before it. It is to have consideration or give some consideration to the conclusions reached by the Assistant Commissioner, but it does not follow that it needs to say the Assistant Commissioner is wrong. Mere disagreement with the decision of the Commissioner. Justice Gendall himself acknowledges that there are two conclusions open. He's not saying

Elias CJ That's a different standard, that's a different standard. If it was open to the Tribunal to come to the conclusion that she did, that's a different

standard from a general appeal. I don't think we're disagreeing Miss Walker

Walker No, it semantic differences but I would say there is a different standard and that's precisely where the standard is different, namely that one doesn't actually have to conclude that the earlier decision is wrong, because in fact there are two conclusions open and that's what Justice Gendall reached. That's the crunch.

Tipping J Yes that's the crunch

Elias CJ It's wrong in the assessment of the appellate Court, that's why I don't think the terminology of 'wrongness' is wrong, but however I think we probably are dancing on pinheads here.

McGrath J But for my part I think it's better really not to get to focused on the wrongness looking for those, better to focus on the duty of the Judge in the first appeal to reach his or her own decision on the merits.

Walker Yes, and my submission

McGrath J And then it's a question of what consideration do you give to the evaluation of the Commissioner?

Walker Yes, and as identified at the outset, the way the respondent has dealt with this issue is to suggest that well in fact the Court of Appeal has not formulated the approach as whether there is an evaluative assessment one needs to be able to fairly characterise the decision is wrong before coming to a different conclusion, but rather that the Court of Appeal intended to use the words interchangeably that you regard deference, that is objected in my submission because deference is to humbly submit and it ignores that second element the fairly characterised is wrong. What the appellant says is that yes, some consideration should be given to the view of the Commissioner. Clearly the High Court is not bound with those conclusions, must reassess for himself or herself. The due regard to be paid is in essence an obligation to consider each of the elements in the conclusion reached by the Commissioner; to consider those elements for himself or herself and reach a conclusion, and in addition if there are elements in the Judge's determination ought to have been considered, then to add those into the composite mix to make their own evaluative assessment, and the appellant submits that's exactly what Justice Gendall did with respect. There are sufficient references and I'll take you to those references in a moment. Sufficient references to the considerations the Assistant Commissioner took into account. What Justice Gendall does not do in his judgment is say having taken into consideration or having given due weight, but in my submission it's absolutely implicit that that is the practical exercise he undertook. So proper regard in respect of this appellate jurisdiction is issue dependent as I said at the outset - it is issue dependent. If the Assistant

Commissioner has some particular advantage, because for instance it did hear oral evidence which is extremely rare in any decisions before the Assistant Commissioner, or if the point of issue was outside the expertise of the High Court and the example in the appellant's written submission is classification of trademarks under the classification system. Well in those instances along a spectrum of what comprises or constitutes due respect we may be at one end, but in this instance the evaluative assessment that the Assistant Commissioner made in preparing the marks at issue and that which Justice Gendall made, is one that the High Court does have sufficient experience in and in that instance proper regard means no more than consideration of the elements of the Assistant Commissioner's decision and the factors comprising that decision and then reaching one's own assessment.

Tipping J The Judge actually says in para.15 doesn't he that Judges of course invariably accord. To say that and then not do it would seem a very egregious error.

Walker Well with respect Sir, he does do it, he does consider

Tipping J I'm not saying he doesn't, I'm just saying that it's going to require a very considerable amount of requirement of precision of language on the part of Justice Gendall to say that because he hasn't actually expressly related that direction to the circumstances of this case, he's erred. That seems to me

Blanchard J Well I think he actually has.

Tipping J Well I'm not saying he

Blanchard J If you look at the beginning of para.25 he says in the end I have to make up my own mind applying the well-known approaches. Now the only time he uses the word 'approach' or 'approaches' in the judgment is in the heading which immediately precedes para.15, and I think it's a very shorthand way of doing it.

Tipping J I don't disagree with that. All I'm saying is it would be an odd situation if he so firmly directed himself and then he's completely ignored.

Walker Well again he has not completely ignored it.

Tipping J I'm not saying he has

Elias CJ There's nothing wrong with you

Tipping J I'm actually trying to help you Miss Walker

Blanchard J So am I.

Tipping J So don't misunderstand, I'm not against you, I'm actually trying to give you a lifeboat.

Walker I am concerned I need a lifeboat.

Tipping J I don't think you need one

Blanchard J The question is whether it leaks.

Tipping J But all I'm saying is it seems to me to be a fairly harsh call to say that Justice Gendall didn't direct himself according to the principles that he laid down in his appellate approach section.

Walker Yes, to suggest

Tipping J But I mean I haven't heard the opposite point of view.

Walker The judgment has to be read as a whole and to suggest otherwise is to look at it in two parts as if they don't join.

McGrath J Yes, but I think that what Justice Blanchard's put to you really is that the sentence of paragraph 25 is the key provision in the matter that indicates that the Judge did consider the fact that a different judgment had been given by the Commissioner.

Walker Yes.

McGrath J Are there any other particular passages in Justice Gendall's judgment you want us to take into account? I know we look at it as a whole but it's far more comforting if you can find something that indicates the appropriate approach.

Walker Well Sir in my submission the appropriate approach is to consider each of the elements of the Commissioner's decision and Justice Gendall sets those out very clearly and very explicitly before turning to his own assessment, so in my submission it's clear, it may not be expressed in terms of a statement to the effect that having done such and such, apart from the passage I'm referred to by Justice Blanchard, but it is redolent to the judgment, that's precisely the exercise he undertook. Perhaps if I take Your Honours to the written submission the appellants have lodged and the analysis of Justice Gendall's decision – it's at paras.55 and following.

McGrath J One passage it seems to me that when you read 25 you probably also have to read the first or second sentence of 15 don't you?

Blanchard J Yes.

McGrath J Those are the two key sentences

Tipping J That's my leaky boat

McGrath J That support the appellants' argument in this case. Sorry?

Tipping J That's my leaky boat.

McGrath J Your leaky boat.

Elias CJ And perhaps also para.19, a case where there's room for different opinions but he has to make up his own mind as is illustrated the Commissioner's opinion.

McGrath J Yes.

Walker And para.32 repeats the reference to different views.

Tipping J And the citation from *Heineken* it seems to me to be fairly pertinent, the last sentence of.

Walker Perhaps the important comment also in para.32 is the reference there to 'room for different views' but the conclusion that the respondent has not discharged the onus or burden on it by satisfying the Court on the balance of probabilities that he knew Sir the mark would not be likely to cause confusion or deceive the public. That issue of onus and burden was with respect ignored in the Court of Appeal decision. But it is very clear the authority for that is again the *Heineken* decision in the Court of Appeal that the onus is on the applicant for registration in these circumstances.

Tipping J Is there anything to be gained from Justice Hammond's apparently studied distinction between the words 'deference' and 'weight' in the first part of that citation from *VB Distributors*. Deference seems to me to be a mindset whereas weight if I may just tentatively say so seems to me to come more closer to what we are involved with.

Walker Yes well weight involves a significant spectrum. There can be some weight. What weight should be paid can be a matter of difference, again along a spectrum, but deference is one end of that spectrum and one end only, because it is to submit to another superior opinion.

McGrath J Miss Walker I should just warn you when you start using the word 'spectrum' I suspect you're leaping to the *DuPont* case are you with Lord Justice May, but I'm just a bit concerned about the *VB Distributors case* and Justice Hammond. It seems to me what weight is given to the Commissioner's views in any case is really a matter just as a factor that the Judge will consider in reach his or her evaluation. To try and say there's a spectrum so that you give a lot of weight if the Judge has heard and seen witnesses or if you've got a real expert person in there, rather than some barristers who come in with no real background. To my mind that's just getting into the commonsense of

the matter which we should be leaving to the Judge and to try and lay down that there is a spectrum that must be considered, you must put the Commissioner somewhere in the spectrum, and that's the sort of weight you have to give. It's getting far too prescriptive; it's getting into sort of intensity of review concepts that I'm not sure have any place here.

Walker The point I suppose is that the Judge has an entitlement and it would not be inapt for the Judge to take a different view depending on the nature of the issue at hand, that is within the High Court Judge's determination, absolutely.

McGrath J Right thank you.

Walker The DuPont analysis really comes back down to the fact that there are so many types of appeal that are caught by the CPR regime in the UK that the spectrum analysis has had to come about in order to permit it if you like that flexibility according to the type of appeal at issue. In respect of Justice Hammond's decision, the Court of Appeal of course was critical and suggested that in so far as Justice Hammond in the Distributors case was suggesting that there may be some instances of no deference at all in my submission is harsh because in fact there may be instances where no deference is to be paid, there's to be no regard, and one example might be for instance the *Aquatech* decision, the application for leave that this Court heard I believe in July this year. Now that was an instance where a legal conclusion drawn on facts because it was in the nature of that sort of issue, the High Court was perfectly entitled to pay no regard in my submission, no regard at all to the decision

McGrath J Yes, it would decide its own view of the law.

Walker Absolutely. So Justice Hammond was not in my view incorrect with respect to suggest that I think the bracketed words deference if any.

Tipping J Well he actually said how much, if any, weight. I was just a little interested in this distinction that he seems to be making deliberately between deference is the no, no, but weight is okay.

Walker Yes, and there is a significant distinction between the two concepts. Deferences involve that submission element – submission to the opinion of another.

Elias CJ I won't get into that decision but I can see that it was open to the person appealed from.

Tipping J It tends to lead the mind in that direction whereas the word 'weight' seems to me to be much more apt when you're talking about what weight you'll give to the first instance decision-maker's view as

opposed to saying I'm to pay or not pay deference to it. It just seems to me to give the right flavour.

Walker Yes.

Blanchard J Well that seems to be Justice Hammond's view.

Tipping J Yes.

McGrath J If Justice Hammond is simply saying well there's a number of factors to be considered here and the Commissioner's view is one factor, but what weight you give it depends on what's a dispute, I would have no problem with it. I think its when you start linking it Justice Tipping suggests to an observation of the deference or a distinction from the deference principle that perhaps you get into difficulty.

Walker In seems unnecessarily in view of the evolution of the discussion and debate to go now to the Court of Appeal's decision, but instead perhaps just to focus on Justice Gendall's decision to see how he came to the conclusion he did.

Tipping J I would like a little bit more help on this, if there is more you wish to say, on this crucial para.30 of the Court of Appeal. I wouldn't want you to feel that speaking for myself any help you can give on that because I think there are two different ways one can look at it. One is the very sort of semantic way, the other is the broader. What really were they saying, why?

Walker There are two ways to look at it perhaps and in my submission the correct way to look at it is that you cannot unlink as it were the reasoning for reaching the view so the case where deference was called for. The reasoning was because it was a conclusion in the view of the Court of Appeal, which cannot be fairly characterised as wrong. The second view is that submitted by my learned friend which is that deference in fact is no different from the due regard or some consideration, but if that is the intent and meaning of this paragraph then in my submission the Court of Appeal was wrong to say that Justice Gendall did not give due consideration, due weight to the decision of the Assistant Commissioner, for all the reasons we've previously explored, so whichever way one looks at that the decision of the Court of Appeal is with respect incorrect.

Tipping J Do you want to say nothing about the word 'because'?

Walker Well that's the justification or reason for the

Tipping J Yes I realise that, but it seems to me

Walker And that's a very important link between

Tipping J Yes, but is it a logical link?

Walker No, no it's not a logical link at all, and what it does

Elias CJ Well it is a link of logic and it's really what indicates that the Court of Appeal was applying on your argument the wrong approach to the High Court's function. They're saying it called for deference because it was a conclusion open to the Assistant Commissioner.

Walker Yes, yes.

Elias CJ And that's not what the High Court was required to do.

Walker Absolutely.

Elias CJ I mean they then do say though that he was entitled to reach a contrary conclusion, however it does strike me as slightly loose terminology having been employed here, but your fallback argument is that if they were intending to convey simply the view that the Assistant Commissioner's decision should have been taken into account, then Justice Gendall did that.

Walker Yes, so I'm not sure much more can be said about para.30, save that the impact of it if the first interpretation is correct, is that it has the effect of entrenching decisions of the Assistant Commissioner since so many such decisions are evaluative assessments, value judgments, and those sorts of assessments the ability to be able to fairly characterise them as wrong, is very very slim. So I'm proposing to turn to Justice Gendall's decision to analyse exactly what he did in view of the correct test being that he was required to make his own assessment on the issues before him while giving some regard or consideration to the Assistant Commissioner.

Blanchard J Before you get to that, if one proceeded for sake of argument on the basis that the Court of Appeal had misinterpreted the way in which Justice Gendall had gone about his work, and if one proceeded on the assumption that Justice Gendall had approached the matter correctly in accordance with the standard test, what then is the function of the Court of Appeal, or of this Court, on an appeal

Elias CJ Well I think that's the critical issue in the case actually, and you haven't given us the appeal provision which I guess is the general provision to the Court of Appeal.

Walker Yes.

Elias CJ Yes, so are we right into those cases whether the Court of Appeal has correctly characterised in some of those cases its jurisdiction.

Walker The outcome of that analysis with respect is that Justice Gendall having been entitled to reach the view he did and the Court of Appeal erring

Blanchard J Well I wasn't saying that Justice Gendall was entitled to reach the view he did, I was putting it on an assumption that he had directed himself and applied the correct methodology but does that mean that his decision would simply be restored without any further review? What sort of test would then be appropriate, for example would the Court of Appeal be entitled to say well regardless of the fact that he applied the correct approach, we think that his decision is obviously wrong - is that the test?

Elias CJ Or even wrong.

Blanchard J Or even wrong.

Walker My response to that is that the appellant is asking this Court to say that the Court of Appeal erred when it determined that Justice Gendall's approach was wrong and therefore that appeal ought not to have succeeded, and so the effect of that is restoration of Justice Gendall's decision, rather than

Elias CJ Well isn't it that the Court of Appeal hasn't performed its function and that the appeal hasn't been properly determined, because that too is a general appeal.

Tipping J Do we have a respondent's notice seeking to support the Court of Appeal on that basis, even if they're wrong on the primary point?

Walker Well they don't need it.

Tipping J Oh.

Elias CJ They don't need it because you can't simply reinstate simply because the Court of Appeal approached its task wrong. You would have to remit, or

Blanchard J The second of the approved grounds is if the Court's answer to question 1 is no, what approach should have been taken by the High Court and how should the respondents appeal against the Assistant Commissioner's decision in this case be determined?

Elias CJ It's clearly there.

Blanchard J It covers it.

Walker Yes it is clear there and identified that up-front in terms of the second part of the second issue which is very important from the appellants' perspective and our response to that is that the Court of Appeal was incorrect in terms of its analysis of Justice Gendall's decision. Justice

Gendall on the other hand approached the appellate function correctly and there is no reason for us not to restore Justice Gendall's decision.

Anderson J Well that means that the respondent hasn't had an appeal. Because your argument necessarily assumes the Court of Appeal's approach was wrong and the respondent wouldn't therefore have had an appeal using the right approach. You can't just deprive them of an appeal.

Walker Well in my submission the Court of Appeal would only be entitled to interfere with the decision of Justice Gendall if it could show that Justice Gendall's decision was plainly wrong.

Anderson J So there's a different test in the Court of Appeal in relation to the High Court than there is from the High Court in relation to the Assistant Commissioner?

Walker Yes there is, that's exactly the point.

Elias CJ You'll have to develop that argument.

Walker That in my submission is the difference between the statutory appeal right by virtue of the Trademarks Act and the general appeal right that Your Honour referred to earlier in the hearing by virtue of the Court of Appeal or High Court Rules.

McGrath J It would be the Judicature Act provisions wouldn't it that would be the right of appeal to the Court of Appeal?

Walker There is a specific Court of Appeal Rule that refers to the right of re-hearing

Elias CJ Yes but the right of appeal is contained in the Judicature Act.

Walker Yes.

McGrath J Assuming there's no provision in the Trademark's Act but no one's found one.

Walker No there's no provision in the Trademark's Act, no. So then we're in the default general appeal jurisdiction which is the supervisory jurisdiction.

Elias CJ It's not a supervisory appeal.

Walker Well it's the ability in a general appeal to reassess the merits, if the point of distinction you're making Your Honour, yes.

Elias CJ Yes.

Walker In the written submission that the appellant filed, there is a discussion about

Elias CJ Sorry, so you are accepting that the appeal to the Court of Appeal was an appeal on the merits?

Walker It's a rehearing with all the hat and tails and I was going to take Your Honours to the discussion in the written submission in relation to the nature of the general appeal jurisdiction which is referred to cases such as *Rae*.

Elias CJ Yes, well you know that's an area of some controversy - just flagging it.

Walker Yes.

McGrath J Where abouts in your submissions are we?

Walker Page 7, para.19. Perhaps if before I turn to the section dealing with **standard** appellate review, if I could just refer to the written submission, para.35 which deals with the Court of Appeal decision which picks out the point I made aurally that there's nothing in the Trademarks Legislation providing a statutory basis for re-hearing.

Elias CJ Sorry what paragraph again?

Walker Para.35 Your Honour. There's nothing in the Trademarks Act, so that the appeal from the High Court to the Court of Appeal is pursuant to the Court of Appeal civil rules and in the actions of expressed statutory authority to do so, the Court of Appeal should be reluctant to interfere with the High Court's exercise of its discretion and findings of fact unless there are compelling grounds for doing so. So that's

Anderson J Where is there a discretion here?

Walker There's not a discretion, no.

Anderson J It's not a discretionary matter at all.

Walker No, that's an example of the way in which certain issues are dealt with on such an appeal, and what this is is an evaluative assessment based on findings of fact.

Anderson J And any Court is able to make findings of fact and as readily as the Assistant Commissioner, because it's all on affidavit, un-contradicted and uncontested.

Walker Yes, I accept that, and that is one of the reasons why the High Court is in the position it is and why the way in which s.66 is interpreted is with a no restriction on reaching one's own conclusions.

Anderson J The same would apply to the Court of Appeal and to this Court. There's no impediment to this Court coming to the same view on the facts.

Walker From a policy perspective thought that would be to suggest that there are effectively more than two bites at the issue.

Anderson J That's the effect of appeals.

Walker Well not necessarily, well in this instance the issue is that it is clear that the High Court has the same ability as the Assistant Commissioner in reaching these views, and the same would be said of course if the Court of Appeal and so on, but from a policy perspective and I think we see this in the Woolf Reforms in the UK, the desirability of access to justice. If there is a sort of no restriction appeal right, we've got the Assistant Commissioner's decision, the High Court decision and then to the Court of Appeal, that does have an impact on access to justice, because the ability of people to pursue those appeal rights where at each instance there is the prospect of essentially rehearing on the merits the issues, and that's an important consideration in my submission.

Elias CJ But that's a submission to be directed to another forum. We have to give effect to the statutory right of appeal, so the question we have to look at is what is the scope of the right of appeal, and as you've said it's a rehearing on the merits.

Blanchard J If the Court of Appeal had simply come to the conclusion that Justice Gendall had overall got it right then it would have been unlikely that this Court would have granted leave to come here because there are leave criteria, but it does seem to me that the Court of Appeal is really in a case of this kind in the same position as the High Court.

Walker Yes in the same position as the High Court in terms of its ability to make evaluative assessment. There is no hindrance from a practical perspective.

Blanchard J I can understand your appeal to policy but it doesn't seem to be based on the legislation.

McGrath J I think Miss Walker is relying somewhat on the principle in the *Rangatura* case as discussed in para.19

Elias CJ And *Rae*.

McGrath J Well they're not so sure about *Rae*. That's a more controversial case, but I don't think there's much controversy about what the Privy Council said in *Rangatura.*

Blanchard J If the High Court had come to the same conclusion as the Assistant Commissioner, I should imagine that the Court of Appeal would be pretty cautious about taking a different view, but where they've differed if seems to me it's open to the Court of Appeal to say well the Judge did apply the correct approach but we think with respect that he got it wrong.

Walker The *Aristoc* decision which is referred to in the case bundle

Elias CJ Sorry, which decision?

Walker The *Aristoc*. It's in tab 6, page 16 of the appellants' bundle in fact appears to adopt that approach at the highest appellate levels, and the Court reassessed or looked at the merits of the decision rather than simply saying the Courts below were incorrect in restoring the original decision.

Tipping J Why would the position of the Court of Appeal on appeal from the High Court be any different from that of the High Court on appeal from the Assistant Commissioner? In other words give weight as appropriate but make up your own mind.

Walker Well it would if it were accepted that the s.66 Statutory Appeal Right was different in character or nature to the general appeal right by virtue of the Judicature Act or Civil Appeal Rules.

Tipping J You mean then the Court of Appeal would implicitly be bound by the restriction that the High Court is subject to?

Elias CJ So you're contending for a wider appeal to the High Court but

Walker Under s.66

Elias CJ You really need to convince us that the appeal to the Court of Appeal is narrower than that and I would have thought that the appeal – we've debated this – but that the appeal to the High Court was a general appeal which is what we have to the Court of Appeal.

Walker It is a general appeal and perhaps the slight point of difference is that that is not the same in my submission as the appeal from the Assistant Commissioner to the High Court because the appeal

Elias CJ You say it's a wider appeal?

Walker It's a wider

Elias CJ Yes.

Walker It's de novo. Now it's not de novo in the purest sense that for instance the Australian High Court would hold and right through the original

1905 legislation through to two further list of amendments or new Tradesmarks Act, the Australian Court

Elias CJ But instead of concentrating because you've run that argument on what the content of the appeal to the High Court is, isn't it important for you now to concentrate on what the content of the appeal from the High Court to the Court of Appeal is and for that as you've said, it's a general appeal, you have used the language from *Rae* in your written submissions

Tipping J *Rae* was directed solely to primary fact, not evaluative assessment.

Elias CJ Yes, so is the Privy Council in *Rangatura.*

Tipping J So I don't see *Rae* as having any great bearing as being one of the culprits in *Rae*.

McGrath J I think really that all the Court is saying is that as you go up the appellate ladder you don't just start afresh every time, and appellate Courts both at first and second level show some restraint on the extent of enthusiasm they might have for getting into the merits of similarity and confusion of WILD GEESE and WILD TURKEY.

Walker Yes, yes.

McGrath J And all you're doing is saying that that principle of restraint is established in cases and there still is an ability to appeal on the facts, but at the Court of Appeal level they show some restraint and they wouldn't interfere unless they thought it was wrong and then of course you get to this Court where we just stipulate grounds, but coming back from where we started from all of this, I thought your proposition as I noted it was that once you had got rid of the Court of Appeal, if you accepted the Court of Appeal is in error, Gendall Js process was correct so therefore this Court while it would reach in the end its own judgment on the appeal in accordance with the general nature of the appeal, it would show some restraint before concluding that Gendall J was wrong under the circumstances, because that's what the Court of Appeal should have done.

Walker Yes, yes thank you Your Honour, that articulates it elegantly. Much more elegantly than I was doing so. But perhaps it might be helpful to go back to Gendall Js decision

McGrath J Was there any passage in *Aristoc* you were going to refer us to? It's just a long case.

Walker A simple proposition to assist you that in that instance the appellate Court did look at the matter as if they were determining the evaluative assessments so that its consistent with the question that was rightly asked about what is the effect of a finding that the Court of Appeal

Tipping J But it's a 1945 case I see and it's not perhaps quite the modern way of doing things.

Walker Yes, that's fair enough.

Elias CJ Right well why is it not?

McGrath J Because I think that some restraint is shown as *Rangatira* suggests and rather than just simply deciding the matter afresh, simply going to the nearest directly afresh. I mean Miss Walker makes a good point in policy terms

Elias CJ Well I haven't read *Aristoc*. Where's the reason why they exercised the devaluation afresh?

Walker Simply not analysed whatsoever. There's no submission in relation to it and it simply implicitly; well it approached without reasoning as if they're entitled to do so afresh. In fact

Tipping J What Miss Walker if exercising the restraint that my brother McGrath refers to, the Court of Appeal nevertheless might have said here 'oh well we don't agree with that'. I mean surely there has to be some ability for the Court of Appeal to differ from the High Court on the kernel of the case, I mean otherwise there's no appeal. I mean okay maybe some restraint – leave that point aside

Walker Yes, yes.

Tipping J But there must come a time mustn't there and this case by the look of the Court of Appeal's judgment, forget altogether about this wrongs and deference issue, by the look of the Court of Appeal judgment they just thought Justice Gendall got it wrong, because they said this conclusion leads to the result which our view is the correct one. I mean I think you're going to have to grapple with that.

Walker It's probably worth looking at the language Justice Gendall made his assessment because in my submission it's entirely correct. What he did and how he differed from the Assistant Commissioner's decision was that he started the exercise from the other end. He started with the proposition well accepted that the appellant had a well-known mark and had significant reputation in it, and then without directly referring to the European Court Authorities in *Sabel v Canon*, which I referred to in the casebook, he essentially approached it by looking at the inter-dependence of the elements to be used when comparing marks and in determining similarity and confusion, and he said that while there's no oral, rather while the oral and visual similarity was slight, when you factor in the significant reputation at issue and when one looks at the idea or concept behind the mark to which he accorded significantly more weight, then did the Assistant Commissioner. Those factors

globally drove his conclusion that the onus by the appellant in the Court of Appeal to show that no likelihood of the mark being confusing or deceiving, was simply not met.

Anderson J Why, when it's just a statement of process? What's the argument?

Walker Well, it's not simply process with respect Your Honour, because the concept of inter-dependence of those elements was not something the Assistant Commissioner referred to either directly or by implication.

Anderson J Was there any evidence that in New Zealand they are seen as game birds, turkeys and geese?

Walker Evidence in New Zealand, ah

Anderson J I know geese are a pest in the South Island.

Walker It was all overseas evidence. It was through internet searching through US

Anderson J Where is this in the evidence though?

Walker Oh this is in the declaration of Helen Lyon, which is tab 12, volume 2 of the case on appeal.

Elias CJ Sorry what

Walker Tab 12 of volume 2 of the case on appeal is the Helen Mary Lyon declaration, and she talks about the internet searches to determine overlap in concepts or similarities.

Anderson J In New Zealand unless one were an archer one would be mocked for saying one was going to go out with a shotgun and have a sporting hunt of turkey which you see wild at the side of the road

Walker Well having said that Sir look at the para.9 in that declaration. Apparently there are several organised turkey and geese hunting packages and tours available in New Zealand which Your Honour has clearly never gone.

Anderson J No, no, I know there's a specialised archery hunt of turkey somewhere in the middle of the South Island but it's just not notorious to my mind. To many New Zealanders I would have thought their idea of the WILD GEESE is quintessentially Irish.

Elias CJ The cooking of turkey and goose is similar**,** not in my experience.

Tipping J I shall explain that to my wife tonight. But it looks to me that the Court of Appeal was saying two things. One, the Judge didn't give any weight to the Commissioner – now that's you say he did

Walker Yes that's right, yes.

Tipping J But 2, in any event we think he got it wrong. I mean it's not quite so bluntly arranged but the last two paragraphs before result, or at 31 and the end of 30 seem to me to amount in substance to a sort of belt and braces reasoning that he erred in this point of principle by not giving any weight which I understand and appreciate the force of your argument on that but our assessment is such and such and it radically differs from that of the Judge, therefore he got it wrong.

Walker Well the Court of Appeal in para.31 disagreed with the proposition that the controlling consideration in the case was a concept of the word "wild' with a large game bird, but

Tipping J Our assessment is that the two marks are unlikely to be confused etc. Now that's a polite way of saying we completely disagree with the trial Judge.

Walker Yes, but the basis for that disagreement seems to with respect focus on that issue of the concept and the assessment that Justice Gendall had regarded the concept behind the word 'wild' and the two birds turkey and geese as a controlling consideration. In my submission, and I didn't articulate this well enough, there were a host of factors all inter-dependent as to why Justice Gendall reached a different conclusion to the Assistant Commissioner. The concept behind the trademark was one of those, but he also had much more focus on matters such as imperfect recollection.

Tipping J Well whether we like it or not, on the real matters if you like, on the sort of underlying crunch point of confusion, the Court of Appeal seems to have been of the clear view that there was unlikely to be confusion, which is really them saying I'm sorry but we can't accept Justice Gendall's view that there was sufficiently likely to be confusion. I just wonder how you get beyond that in any ultimate disposition of the case by us, that's my crunch.

Walker Well my response to that is that the reason why they disagree, and I come back to that, the reason why they disagree with Justice Gendall is because their view is that the controlling consideration is not the notion behind the trademark.

Tipping J But aren't they entitled to disagree with him?

Walker That under-estimates the other factors that Justice Gendall bundled together. In accordance with the principles expressed in the *Sabel* and *Canon* cases, although he made no reference to those cases, that looking at it globally or in the round, the fact is that he supported a conclusion as to confusion, outweighed – in fact let me rephrase that. It wasn't necessarily that they outweighed. What the Court of Appeal

failed to do is recognise explicitly the onus on the applicant for registration in these circumstances. Where reputation is established it is the trademark applicant who has the onus of persuading the Court that registration would not be likely to result in confusion.

Tipping J Well they don't look at it in terms of onus precisely, but aren't they effectively saying that the applicant, the present appellant, that is the appellant in the Court of Appeal, has satisfied us that the marks are unlikely to be confused? I'm sorry to be difficult Miss Walker but we're not here for a semantic exercise, we're here to see if we can see the realities of what was going on in the Court of Appeal.

Walker In my submission the preferable view of it, the proper assessment of it, bearing in mind all those factors that go toward a conclusion of confusion is that the right assessment is that this mark ought not to be registered.

Tipping J So you're really asking us to overturn the Court of Appeal on the ultimate merits?

Walker Well, the decision of the Court of Appeal is that Justice Gendall was wrong because he didn't defer to the decision to the decision of the Assistant Commissioner. This para.31 conclusion is not the essence of the Court of Appeal's decision.

McGrath J It's a separate basis for it.

Tipping J It's a separate basis, exactly. It's a cumulative basis.

Anderson J They seem to approach this really rightly or wrongly on the basis that they shouldn't disagree with Justice Gendall unless he went wrong somewhere.

Walker Yes.

Anderson J So then they find that he went wrong and then they say well this now allows us to exercise our own view and whereas they might have been entitled to go to that point directly anyway. Perhaps they could be helpful in at least this respect that at 172 and 173 of volume 2 there is an evidential basis for asserting that turkeys and geese are game birds in New Zealand, but that's just an aside.

Tipping J It is very comforting.

McGrath J Miss Walker I think that just taking Justice Tipping's point a step further, really Justice Gendall in his conclusion emphasised the idea or concept of the mark, he also emphasised the word 'wild', the common nature for the word 'wild' he describes as the leading feature, or as a leading feature that's in the mark and he then said no monopoly of 'wild' was involved. Now in a way, although there's no particular

reference to the monopoly idea, certainly the Court of Appeal in 31 does address the concept of the mark and the significance of the word 'wild', and those in the end were the two key features that influenced Justice Gendall in reaching his decision. So in a way it's only in one paragraph that its perhaps been dictated fairly swiftly, but it does address the key points that were influencing Justice Gendall.

Walker Well with respect there were other key points influencing him and one of the most important was the starting point which is the significance of the reputation, because it's clear that more well-known a mark is, the less the degree of similarity before confusion will be established. Now that is something which in my submission is implicit in Justice Gendall's assessment and is nowhere in the Court of Appeal's assessment, and it's an important consideration. That combined with, and we're talking about the same goods, if you look at the trade channel, the nature in which these goods are purchased, particularly the bar setting where the

Tipping J Are you saying the more familiar the mark the more potential for confusion?

Walker Yes.

Tipping J Or the less similarity there has to be to create confusion.

Walker Yes, yes, yes.

Elias CJ But these submissions are directed at persuading us that the assessment in para.31 is inadequate or unsatisfactory, but aren't you faced with the problem identified by Justice Blanchard that this Court would never have given leave for a merits-based challenge to the Court of Appeal determination, and the questions are framed in terms of approach

Walker Yes.

Elias CJ And while you're entitled to raise what happens then, the point that's being put to you is that the Court of Appeal really did dispose of the merits of the case, notwithstanding the fact they seemed to find it necessary to find in error of approach by the High Court Judge.

Walker Yes, yes. Well my first submission in response to that was that the Court of Appeal was correct in its view that it needed to find something erroneous in the approach of Justice Gendall because it was a general appellate jurisdiction as opposed to the wider appellate jurisdiction by virtue of the Trademarks Act. Whether one calls that judicial restraint or whether it's because there is a closer analogy with the factual conclusion that comes out of the assessment at all the factors on comparison that marks confusion similarity etc or not, in my submission that was the proper approach by the Court of Appeal, and

where the Court of Appeal erred wasn't actually characterizing Justice Gendall's decision as wrong or formulating it differently.

Elias CJ Well I'm sorry I'm a bit confused as to how that argument assists your case.

Walker Because the Court of Appeal was not entitled to substitute its own decision on merits.

Blanchard J Why?

McGrath J I don't think you can possibly say that. I acknowledge that I can see that there should be some restraint but you're now almost saying that even if the Court of Appeal thinks the decision was wrong on the merits it can't interfere, it's not an appeal that's confined to a question of law only.

Tipping J I think that absolute proposition is untenable with respect and I think you have to go back from that.

Walker It must be narrower though then the appeal from the Assistant Commissioner to the High Court.

McGrath J But just for my part and I'm not sure if you've tentatively persuaded anyone else, but I can see that there should be some restraint going up and I'm influenced by your policy argument, but appellate Courts just shouldn't start again with their own evaluation of the question of the issue of the facts concerning similarity, confusion and so forth, but I mean I think we've actually done that, but I thought we had reached a position where we understood what you had to say but the point now is really whether on this separate basis on which the Court of Appeal decided that Justice Gendall was wrong, that was a sound basis for deciding the case, and whether in fact there's something in it that you can point us to that should encourage us to substitute our own view of the Court of Appeal.

Walker Well the reason why it's not a sound basis is because it fails to take into account the significance of the reputation. The reputation was conceded. It was conceded at every stage of its contest, and that is

McGrath J Yes but if you take that argument too far you don't allow any competition and then you do allow monopolies in words if you go to far with that, but the point I'd say is that wasn't really something that seems to me to have been pivotal for Justice Gendall. If you look at page 29 of the casebook it's rather the idea of the mark, the importance of the word 'wild' that you describe as the leading characteristic of the matter, and his view that he wasn't in any way creating a monopoly in the word 'wild'. He's not going back to the extent to which WILD TURKEY built up its reputation in New Zealand.

Walker But when the Court of Appeal reached their conclusion in 31

McGrath J Yes.

Walker They did so essentially on the basis of what they perceived as stark difference between the words turkey and geese – that is the visual and oral elements. Failing to therefore take into account the overall impression, which is by all authority the way in which this analysis ought to be made, is the overall impression of the mark, not looking at it according to its separate and discrete elements. That is something which the Court of Appeal failed to acknowledge

McGrath J I understand that criticism has got to be considered, yes.

Walker The factual assessing that the ideas associated with the two marks are quite different is very close to a contra-factual finding to that made by Justice Gendall. It doesn't squarely fall into the purely evaluative assessment

McGrath J Sorry, which point is that?

Walker This is the point about the ideas associated with the two marks. Justice Gendall felt that the notion or idea behind the marks in fact was such that similarity was established

Elias CJ But the Court of Appeal just takes a different view. It says the ideas associated are quite different and explains why.

Walker He does take a different view.

Elias CJ Yes.

McGrath J It's all evaluation though I think Miss Walker

Walker It's evaluation but there are key elements missing from the Court of Appeal's evaluation.

McGrath J Yes, and one of them you say is the lack of any indication that in the end overall it's

Walker Yes, globally and realistically, yes, and that's important

Tipping J Does the treatment given to the point of approach as against the ultimate merits reflect the volume of argument attracted by each in the Court of Appeal?

Walker I can't answer that actually, I wasn't in the Court of Appeal.

Tipping J Oh, but I mean sometimes judgments are written you know to sort of reflect the weight of the arguments. I mean

Walker Well except the principles are very clearly laid down. The *Pianotist's* principles referred to in *Heineken* is very clear that this global assessment

Tipping J Oh yes, all I think you've persuaded me of is the possible argument that the Court of Appeal's analysis was not sufficient to displace that of Justice Gendall.

Walker Yes.

Tipping J That I think is what you're effectively saying.

Walker Yes I am.

Tipping J Because it was too superficial, didn't properly go into all the necessary factors.

Walker Yes.

Blanchard J It would seem to me that although the Court of Appeal didn't use the words 'overall impression', in a very clipped way they were touching on the main features that go to the overall impression, namely in this case a dissimilarity between two of the crucial words, 'turkey and geese', and then their statement that the underlying concept and the ideas associated with that concept are not particularly similar - are dissimilar in fact.

Walker There is then also reference to distinct Irish connotations in respect of WILD GEESE, but

Blanchard J Well it is Irish Whisky.

Walker Well

Tipping J Isn't the last sentence of para.31 an expression of overall impression?

Walker Our assessment that the two marks are unlikely to be confused - that sentence?

Tipping J Yes, yes.

Walker Well with respect it's rather superficial because there are so many where there are a number of elements that are simply missing from the analysis.

Anderson J What's missing? You talked about the dissimilarity of the words

Walker Significance of reputation and how that fits

Anderson J But how does reputation have any bearing on the likelihood of with confusion? If you've got a trademark, it doesn't matter whether you have a well-known trademark or whether you're world famous or not, how does the extent to which one is known contribute to the possibility of confusion?

Walker Well it does in two ways. First of all there is the issue of imperfect recollection, and again that is not something that I see explicit in this para.31 analysis.

Anderson J Just pausing, I would have thought that if you were better known there's less chance of confusion.

Walker There is a point at which the extent to which you are well known – this is seen in the *Mattel* case, the *Barbie* case. There's a point at which one tips over and the Canadian Supreme Court has suggested that one is unlikely to be confused if one sees a Barbie on products other than *Mattel's* doll with accessories. But that's because that's the only way in which *Mattel* have ever used that trademark, but when you get into the middle ground where the trademark is extremely well-known there is

Blanchard J But what's it known for? It's known for, I believe actually actually it's not Bourbon, it's a rye.

Anderson J They produce both actually.

Blanchard J Well it's known for Bourbon and Rye which are products which you find the United States. I don't know that Bourbon and Rye comes from anywhere other than North America. WILD GEESE is being used in relation to a different product – Irish Whisky, which comes strangely from Ireland, so where's the potential for confusion?

Walker The potential for confusion is when one is ordering this product in a bar in which, well let me rephrase that

Blanchard J Ask for a Bourbon or a Rye, then you get given an Irish Whisky.

Walker Well I certainly wouldn't notice the difference, but that's just me.

Blanchard J A Rye or Whisky drinker would.

Elias CJ Well certainly an Irish Whisky drinker might.

Blanchard J We may have to do our own evaluations.

Walker Of course the test in relation to the similarities fair and notional use and not the use to which the respondent has indicated in the statutory declarations they intend to use the mark. It's fair and notional so it's

any use to which the mark would fairly be put, so one can't be constrained by the analysis of the proposed intention.

Elias CJ You mean they could apply it to Bourbon, is that what you're saying?

Walker As I understand Bourbon is a type of Whisky, therefore yes.

Elias CJ Yes, I see. Is it convenient to take the adjournment now?

Walker Yes Your Honour.

11.33am Court Adjourned
11.49am Court Resumed

Elias CJ Thank you.

Walker May it please Your Honours. We focused Your Honours on 31 of the Court of Appeal judgment and I just want to summarise my submissions in relation to that.

Anderson J Before you do could you tell us what the second point that you were going to make in relation to reputation? You said there were two reasons why reputation was relevant to the exercise and you gave us one. You didn't address the other.

Walker Oh, If I take you to the reference to *Kerly*, tab 5, under the authorities of the appellant. This is the point about extent of reputation. I may have got the wrong reference Your Honours but I will find that reference Your Honours. But essentially the point is that the more significant the reputation, the less similarity required before confusion would advance. I now take you to the *Canon* case. The *Canon* case is the European Court of Justice at tab 8, page 87 of the casebook dealing with the two points I was making related to reputation, interdependence and extent of reputation, and at para.17 'a global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trademarks and between these goods or services. Accordingly a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks and vice versa. The interdependence of these factors is expressly mentioned', and then further down another three lines, 'in particular on the recognition of the trademark on the market and the degree of similarity between the mark and the sign and between the goods or services', and then at para.18 'furthermore, according to the case law of the Court, the more distinctive the earlier mark, the greater the risk of confusion'. And the next sentence 'since protection of a trademark depends in accordance with Article 4(1)(b) of the Directive, on there being a likelihood of confusion, marks with a highly distinctive character, either per se or

because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character'. And the reference to *Kerly's*, at tab 5 of the appellant's bundle, page 15 of the bundle, para.16-37. And the point there is that because of the reputation of the marks, it had the reputation of the mark, that people might well regard there as being some trade association. In other words that WILD TURKEY has another product called WILD GEESE. It's the confusion arising out of anticipated association.

Anderson J If that were so, one might expect makers of Whisky and Bourbon and Rye and all the rest of it to utilise that propensity by creating different brands with associations. So why hasn't WILD TURKEY for example produced a Wild Goose Kentucky, or something similar? A lot of it is just supposition isn't it?

Walker Well the fact that it hasn't doesn't in my submission militate against the argument about the significance of replication and how that plays out, and that proposition is well accepted

Anderson J As I say it has to be impressionistic otherwise one wouldn't have allowed Jim Beam to be registered against Jim Grant or Jack Daniels, or any combinations of those against another where the names all have similar connotations.

Walker Well certainly WILD TURKEY has entered the RTD market – the ready to drink – those are those combinations of

Anderson J Lollipop drinks.

Walker Yes. Just going back to the point about the jurisdiction on this appeal and whether or not one needs to show that the Court of Appeal approached their assessment on any wrong principle, picking up the point that I've submitted that the appeal from the Assistant Commissioner to the High Court is of the character it is, and that it ought to be narrower from the High Court to Court of Appeal but the degree of narrowness is as I accept debatable. However it couldn't be said that the reverse is true. In other words that from the High Court to the Court of Appeal no regard at all should be paid to the decision of the lower Court. So what I'm saying is from the High Court to the Court of Appeal, what the Court of Appeal should have done when they made their assessment on the merits is surely to pay regard to Justice Gendall's decision. If para.31 is intended to represent, and in my submission it's all that could represent, due regard to Justice Gendall's decision, then it falls far short of identified missing elements in terms of the assessment. I've submitted that the last sentence is frankly insufficient to represent the view of interdependence of these elements or the importance of global assessment. There is also a reference in para.31 to this Irish connotation

Anderson J It is just coincidence that the judgment was written Justice O'Regan?

Walker Perhaps that is judicial notice of a most acceptable form, but in my submission there was simply no evidence to actually found that conclusion, in fact the reference, if you look at page 19 of the case on appeal, volume 1, para.7 of Justice Gendall's decision. Sorry I've got the wrong

Elias CJ Is that where he says it's speculative?

Walker Yes, when a submission had been made about the Irish connotation

Anderson J I thought it was notorious – WB Yates in September 1913, talking about the Wild Goose spreading the grey wing on every tide and associations with the Irish Diaspora after the famine, and the Indigenous patriots

Elias CJ Why does there have to be evidence of association? Association is so much a matter of impression.

Walker Whether or not the point is that what the Court of Appeal did was made a factual finding as to connotation which is inconsistent to my submission with that found by Justice Gendall in High the Court, and expressly at para.22, a slightly more refined point, he noted the submissions made by the Commissioner that inspiration for the mark WILD GEESE arose because that was the name given to the Irish Jacobite soldiers of fortune, and he said there's no evidence to support that submission. No claim in the evidence.

Blanchard J Well if you google WILD GEESE the references are all to the soldiers.

Walker And Justice Gendall makes that reference that he suspects the submission was opportunistically by reason of the definition of WILD GEESE in the dictionary and ascertainable on the internet.

Blanchard J No but my point is that google with which has the machinery for throwing out the most common association, throws that up. You get that immediately. Top of the list – about three or four entries on the history of the WILD GEESE. I was fascinated by it because I had never heard of them.

Walker But that's not necessarily the association that the key persons in this market would make in New Zealand.

Blanchard J Your average punter in the bar wouldn't know that.

Walker Your average 18-year old RTD drinker?

Blanchard J Yes.

Elias CJ RTD?

Walker Ready to drink.

McGrath J Miss Walker is your point here that there was no evidence for the Court of Appeal to make the Irish link?

Walker Yes.

McGrath J There was just no evidence or is it that there were no findings in the judgments. Are you saying there was just simply no evidence of this?

Walker Two elements. There was no evidence and they paid no consideration to the fact that Justice Gendall had expressly said

McGrath I understand that Justice Gendall didn't make findings, but are you saying this is an indication of the Court of Appeal Judges, like my brother Blanchard, headed into google to sort out the evidence in this case?

Walker It is an indication, and that doesn't

Elias CJ But it's referred to in the Assistant Commissioner's determination isn't it? That's really the point of Justice Gendall's reference, isn't that right?

Blanchard J But I think your better point Miss Walker is that the average drinker in the bar in New Zealand probably would be completely oblivious to all that connotation.

Walker Yes and that is the market at issue.

Anderson J They do have poetry readings in bars I understand.

Elias CJ I must say my mind immediately goes to nursery rhymes where geese are quite different from turkeys, but maybe they don't

Tipping J Goosey, goosey gander.

Walker But Your Honour that's to look at the elements of the mark rather than a composite whole. It's the WILD GEESE, WILD TURKEY comparison that needs to be made.

Elias CJ Well nobody would name any product they're trying to sell after a farmed goose or turkey. I mean they're only there for Christmas.

Anderson J The domestic goose.

Walker So with respect going back to para.31 of the Court of Appeal's decision, if it's necessary to show that they reached the decision on wrong principles, then my submission is there was inadequate

consideration of all the elements and the interdependence of those elements, and I have identified some factors, in particular the lack of global assessment, which I submit is not made up for in the last sentence of para.31.

McGrath J That's the point you described as too superficial consideration earlier

Walker Yes, yes.

McGrath J Yes.

Walker With my greatest respect to the Court of Appeal, and if the position is that the Court of Appeal was entitled to assess on its own merits in the same way that the High Court was so entitled, then it must also be required to give some regard, due regard, due weight, to the High Court decision, and there is nothing to indicate, or there is inadequate regard paid to Justice Gendall's decision.

Tipping J If you're right does that automatically resurrect Justice Gendall or do we have to do the thing thoroughly?

Walker I would hope that resurrects Justice Gendall's decision.

Tipping J Well why should that be so as opposed to this Court grasping the nestle and doing it one hopes without criticism or methodological criticism.

Walker Well perhaps the best response to that is that if one considers the correct approach to this assessment. If Your Honours are minded to make that assessment yourselves, then I submit that the approach taken by Justice Gendall is entirely the right one. All the factors were considered. The proper weight was given to each of those and there interdependence and therefore

Tipping J We've now got three decisions below us - to which one do we pay deference?

Walker In respect of the High Court, because in my submission

Tipping J Is that because it's the one that favours you?

Walker Yes, and this one is the most considered analysis and most properly refers to and considers each of the elements required in the test for similarity and confusion

Tipping J So we should find that the most persuasive?

Walker That is the best indication of the exercise that needs to be undertaken.

Tipping J Right. But which do you submit should happen? I take it assuming your criticisms of the Court of Appeal are sound, you want that to lead

to Justice Gendall's decision being reinstated, rather than us taking on any sort of evaluative exercise ourselves presumably?

Walker Yes, that is my preference.

Tipping J Well it would be wouldn't it?

Walker It would, it would. But having said that I also submit that a fresh assessment considering all those elements that need to be assessed should lead by result.

Tipping J Yes, well that's put your proposition pretty clearly demarcated.

Walker Yes, yes, my learned junior reminds me that if this Court is minded to make such assessments I have not endeavoured today to take you through high specificity, the test, the elements, because in my submission Justice Gendall approached it entirely correctly, but if you wish me to do so, I'm happy to take that on.

Elias CJ No I think that won't be necessary thank you.

Walker Well unless I can assist you further.

Elias CJ Thank you. Yes Mr Henry.

Henry I just wish to clarify the position of Mr Brown, because I think it was left in the timetabling order that it was open to him being able to seen to be heard if he wished.

Elias CJ Well I think Mr Henry we'd like to hear from you first and then we'll decide whether we need to hear from Mr Brown.

Henry I'm happy with that.

Elias CJ If there's anything that he raises is of surprise to you, you can of course reply to it.

Henry I don't propose to immediately follow the written synopsis because having listened to the debate in my submission this appeal can be distilled into a series of steps and unrepentedly admit that I'm taking what Your Honour's comments have been in the debate with my friend in applying them. The starting point is the nature of the appeals and I've been saying that essentially it's agreed there's a re-hearing de novo, and that has been in my submission misconstrued by my learned friend, because we take the view exactly as Your Honours have this is a general appeal and by that we mean the merits are reviewed, having regard to what the Court at first instance has decided, and we have to remember that the Court of first instance is Assistant Commissioner Hastie, and she has done a very carefully reasoned judgment which my learned friend has never referred to throughout the whole of the

discussion, and because that first instance, or trial, is completely on the papers as Your Honours have pointed out, the *Rae* and the *Rangatura* principles die, and this is one of the unusual characteristics of this jurisdiction. There is a power to cross-examine, but I certainly don't know of any instances where that's been done and Mr Brown, who has been useful in his submission, accepts that this is a rare power but it's there. For this appeal this is nothing other than drawing inferences from papers. His Honour Justice Gendall is required to review the merits having regard to what the trial Judge, the Assistant Commissioner, decided. The Court of Appeal does have a further factor it must take into account, that must not only have regard to the Assistant Commissioner's decision but to the High Court's decision, and we expect in the judicial process that this means that the logic and reasoning is considered. If it is found to be wrong then further reasoning is given as to what the correct view should be and the appeal allowed. When you get to the Court of Appeal we say the Court of Appeal is entirely entitled, having had regard to both sets of reasoning, to adopt one. It doesn't have to embark on a complete set of three further views. It may do that, but if they have regard to the earlier decisions and they conclude that the logic of one is the correct logic, they simply can adopt it and that's what we say they did. It then becomes important to look at what the function of this Court is because as Your Honour the Chief Justice pointed out, this is a Court by leave and its not a merits review. We are here to deal with one very tight procedural issue and it's important to go and look at the Court of Appeal's judgment to put this into proper prospective. At page 40 of the case, para.20 of the Court of Appeal's judgment, they start a heading *Standard of appellate review*, and they work through what the appellate review basis should be and in para.24 and 25 they set out what it is, and in the middle of para.24 they say 'we consider that the High Court on appeal from the Commissioner of Trademarks is required to give some weight to the decision of the Commissioner in an area within the Commissioner's expertise'. Now I do not understand anybody to be addressing me on the basis that that is a wrong proposition of law. And in my submission there is no complaint from the appellant as to the reasoning and logic in paras.20 to 25, and that is the only part of this judgment where the Court of Appeal expressly addresses the test.

Anderson J What's the logic behind giving weight to the decision of the Commissioner?

Henry Simply Sir that this Commissioner is a trained lawyer. She has given a properly reasoned judgment. In fact they describe it as being an orthodox approach; they described the reasoning as being something that they agree with. She has sat down; she has done exactly what a High Court Judge would do in a trial. She has gone through the evidence; she's gone through the tests; she sat down and said this is how I will apply them; this is my logic, and all a Court on appeal has to

do is look at that, work there way through it and if they think it's wrong, say why and allow an appeal.

Anderson J I don't think with respect that answers the question I put. What is the logic behind given weight to it? Why should one give weight to it?

Henry Every time Sir we have an appeal we sieve the facts and we sieve the law, and every time you go on appeal then you have another set of heads working on a final conclusion and we hone towards a just result. The logic is that you must address what the first Court has said because that is how we work our appellate system to obtain justice and as you climb the scale the argument gets more and more refined. It often varies quite away from what happened in the trial, but it's that refinement of logic that works to justice. If on appeal you can simply ignore the logic of the Court below, then appeals become very arbitrary.

Anderson J But examining the logic is different from giving weight to it. You may examine it and find that it's utterly flawed.

Henry Well Sir with the greatest respect believe that is a semantic quibble because what you do on appeals is you look at the judgment, you look at the logic and you decide whether it's right or wrong, and that is all 'having regard' means. I don't say you have to give any weight, I say you have to give regard but weight is when you look at the logic, you look at what's done, you weigh it up, and if you find it wanting, i.e. it's wrong, then you allow the appeal.

McGrath J Would it be better if the Court had said at para.24, 'is entitled to give some weight'?

Henry I'd prefer to 'give some regard' myself.

McGrath J But instead of 'required' the word 'entitled'

Henry Entitled, I accept that.

McGrath J Would you accept that? Yes.

Henry Yes. And essentially what we are doing is simply following the *Heineken* words that is quoted throughout the judgments. Now I was dealing with what in our submission the purpose of this hearing is. The purpose of this hearing is to decide if paras.20 to 25 is correct and secondly given that there appears to be no dispute that it's correct, did the Court of Appeal intend in para.30, which is the paragraph being criticised to in some manner or way change what they've already set out to be the appropriate approach. In our submission there is a resounding 'no, there was no such intention to that question' simply because in par.28 the heading is o*ur approach*, and we now have a Court having regard to both of the earlier decisions, giving a subjective

view on those judgments. Para.30 where they say 'in our view this was a case where deference by the High Court, the expertise of the Assistant Commissioner was called for, is not changing the test, it's saying in this case there should have been deference. Then they say because, and it is illogically, because the conclusion reached by the Assistant Commissioner in relation to an issue calling for an evaluative assessment on her part, appears to us to be a conclusion that cannot be fairly characterised as wrong.

Anderson J But with respect to the Court of Appeal, that seems a very circular argument. We've looked at it and we agree with it, and because we agree with it we should show deference.

Henry If they'd stopped there I would agree with you Sir, but they don't. She adopted an orthodox approach to the task and directed herself appropriately as to the legal test she had to apply. So they are saying she got that right.

Anderson J This is the crucial issue and it's not necessarily against your client's interest to examine whether at each appellate level the Court can say well we're going to look at it in terms of our opinion, which may or may not coincide with the opinion below in the result, but we're entitled to look at it ourselves.

Henry They are, as simple as that.

Anderson J Yes, but

Henry They have to have regard to the logic and you have to in your reasoning say look this is where we believe they've erred and that's just how we do judicial judgments.

Anderson J But why couldn't they go straight to their view without finding some error of process in the lower Court? The lower Court might have been entirely correct in its process so they could still disagree with it.

Henry They don't have to find an error of process, they just have to find it's wrong, and it can be wrong as to any aspect of the merits, be it process or the evaluation of the facts. There is no restriction on how they say it's wrong, but they must say on the merits, for whatever reason we find you wrong. If they don't find it wrong then they don't interfere. It's as simple as that. What the Court of Appeal goes on to say, and they now start analysing why they say 'she has an orthodox approach', they say that being the case the High Court Judge ought not to have embarked on a reconsideration of the issues without considering an giving weight to the Assistant Commissioner's conclusion. And I say weight in regard to interchangeable, but it's talking about having regard to her logic, her approach. He was of course entitled to reach a conclusion contrary to that reached by the Assistant Commissioner, but not to do so without giving weight to her views, if he had done that we

believe he would have upheld the Assistant Commissioner's decision. We are satisfied that that should have been the outcome of the High Court appeal. What they're saying is if he'd had regard to her logic, he would have found himself compelled by that logic to uphold her decision. Para.31 they keep expanding. This is just part of the continuum. That conclusion leads to a result which in our view is the correct one. So we're getting here the Court of Appeal clearly saying on the merits she was correct. We agree with the Assistant Commissioner that the concept of the word 'wild' with a larger game bird is not the controlling consideration in this case. We give much greater weight to the stark difference between the words turkey and geese, both in spelling and phonetically. The latter is plural, which also differentiates it from the former. The use of these words with the word wild does not detract from those differences. The concept is not a strong one. Now that is a direct criticism of the Court's logic below. Because he said the concept was strong and I've disagreed, and the class of hunted birds is both broad and ill defined. Again that was a key to His Honour's decision in the High Court. The ideas associated with the two marks are quite different. WILD TURKEY is evocative of the region in the United States from which bourbon originated, whereas WILD GEESE has distinct Irish connotations and thus is appropriately linked with a brand of Irish whisky. Our assessment is that the two marks are unlikely to be confused for one or another if used for liquor products sold in New Zealand in both bottled form and liquor outlets or as single drinks in bars. So there they have had regard to his logic, they have disagreed with it as they are entitled to do and have made a different finding on the merits. The finding being an adoption of the original decision by the Assistant Commissioner, who commenced the process. In our submission if Your Honours formed the view that there was no intent by the Court of Appeal in their discussion and applying of the test they set out in paras.20 to 25, then that is the end of the matter because what you're asked to do is set out what is the test, and if the test is as set out in paras.20 to 25, that ends this appeal. As Your Honour the Chief Justice pointed out, leave would not have been granted for a merit appeal. If however Your Honours conclude that the test set out in paras.20 to 25 was being varied by para.30, then the issue of the merits comes open and that leaves two results. Either you could remit it to the Court of Appeal and we'll go back and deal with the issue, or you can embark on the merits yourselves. That's open for this Court to do.

Elias CJ Why do you say that there are only those two options when you have been urging on us the fact that you say the Court of Appeal dealt with the merit appeal?

Henry Oh yes, if you decide that they didn't then there's two options. The first option is you disallow the appeal because they have dealt with it.

Tipping J But aren't these two points independent of each other? In other words in a sense the Court of Appeal said we are allowing this appeal for two

reasons; one because the Judge misdirected himself, putting it very very broadly; and the other because we think he was wrong anyway?

Henry Yes.

Tipping J So why are you not just simply saying leave the Court of Appeal's decision alone to that effect, even if they did get the law on the nature of the appeal wrong?

Henry I'm certainly going to say that, I'm not

Tipping J Oh, I think that's what the Chief

Henry I'm just putting out the options are, either you embark yourselves or send it back to the Court of Appeal. Yes, our position certainly Sir is the Court of Appeal got it right and there is certainly no injustice involved here.

Tipping J But I think I was curious why you said 'if they got the law wrong there were only two possibilities – remit or address ourselves. There's a third possibility isn't there? Leave it alone because they got it right anyway.

Henry I said that Sir and that would be a correct way to put it as a third option. I'm happy with that. When considering the question in respect of the appeal, in my submission to do it without looking at the gravamen of the decisions up the chain would be to do it in an esoteric vacuum and that we submit is not wise, and the starting point we say to look at how the tests operate, is to commence at page 12 of the case which is the decision of Assistant Commissioner Hastie. Up until page 12 the Assistant Commissioner has read through the evidence, talked about the nature of the opposition, and she's now entering into a discussion on the law. She's worked through the law and set out the tests correctly, then she deals with the merits. And it starts with the paragraph two-thirds down the page 'I disagree'. 'The words TURKEY and GEESE are essential to each mark. I find that they are distinctive and dominant components of the marks', and that is a very key inference that she draws from the papers 'The fact that both marks use the name of a bird does not in my view lead to the conclusion consumers will assume an association. The general overall impression is a degree of similarity, but visually and aurally the marks are significantly different so I do not think the similarity is confusing. I do not believe that a consumer of WILD TURKEY Bourbon would be confused either as to product or source upon seeing the mark WILD GEESE on a similar product. The opponent is not the registered owner in New Zealand of a series of marks using the word WILD, and the fact other leading brands in the market such as Jim Beam, Jack Daniels, Woodstock and Old Crow make no use of the use of the word WILD does not persuade me confusion is likely. To the contrary. A consumer knowing WILD TURKEY Bourbon will readily recall it and

will not confuse it with WILD GEESE. The evidence of Ms McIntyre and Mr Dayal is of little assistance in determining the likelihood of deception or confusion and is not persuasive. It is opinion evidence only. Neither deponent is an expert in the field of confusing similarity in respect of beverages. In any event this is not a case where evidence from persons expert in a particular market is required to help me determine whether the two marks are confusingly similar'. Now what she has done Your Honours is she has simply looked at the classic test and said are they visually and aurally significantly different, and she's found that they are, and what we submit in terms of simple logic, anybody looking at those two marks would reach that decision, and the Court of Appeal called it first an orthodox approach at para.30 and in the same paragraph that it was soundly based reasoning. Where His Honour Justice Gendall on the appeal differed from her is he took the view that the words TURKEY and GEESE were not the essential distinctive and dominant components of the marks. He's entitled to do that but in doing so we say he should have paid regard to the judgment and one would have expected to see a narration setting out why he takes the view that these words are not the dominant and distinctive components of the mark and why he says TURKEY and GEESE are not essential, or the essential parts of the mark, and it's important to

Elias CJ There isn't much of course in the way of reasoning in these things. They are just stating conclusions, as they must do when it's a matter of evaluation. It was just occurring to me as we went through the Assistant Commissioner's reasoning that in fact the Court of Appeal reasoning for example is not much briefer than her reasoning, and Justice Gendall simply disagrees in terms of the significance of the visual and oral association.

Henry Yes

Elias CJ There's not really much to be said is there?

Henry It's totally it in a nutshell.

Elias CJ Yes.

Henry Because at the end of the day it's a matter of simple impression, because the first test is is this visually an aurally similar, and we say the answer is no and that is the end of this case. It's not a situation where you've got, and I'll use the word

Elias CJ It's not aurally by the way is it, it should be aurally, presumably is it?

Henry Orally yes.

Elias CJ I mean she has said aurally but it must be

Henry She said orally, I was reading from her, but it's aurally.

Anderson J What if there was a conceptual similarity, quite apart from the visual or aural difference?

Henry We worked on an example of that and you come up with the word 'cookie'. Cookie in computers means a very special programme doing something, whereas cookie in the kitchen means something we all know and understand, so conceptually there is a totally different base. Here we are dealing with whiskeys but the names do not of themselves, apart from reputation people establish, say it's whisky, they don't take you to that.

Anderson J Yes but if there is a conceptual similarity in a hypothetical case that must surely be a matter to consider.

Henry It's a factor in the younger-lying matrix, but if they are verbally and aurally so different that is sufficient to dispose of the issue. You've got to understand Sir, the commercial here isn't to let WILD TURKEY stop WILD GEESE coming into this country, the purpose here is to stop us being able to use trademarks to protect our reputation. That's all they achieve by this opposition. We can't bring in WILD GEESE if we breach their trademark. We don't breach their trademark. All they're doing here is stopping us from getting a registration which we can use to stop people stealing our reputation, so if someone comes up with WILD GOOSE, we can't use the trademark, we've got to go the Fair Trading Act and things like that. That is the only commerical benefit here to this appellant. They can't stop WILD GEESE bringing their whisky into this country by opposing the trademark registration.

Tipping J They could only stop that by passing off which they haven't attempted presumably.

Henry No they haven't and they can't. Definitely can't.

Tipping J No, no.

Henry There is no ability to do it and the whole commercial reason of this is just two competitors flexing

Anderson J Well they could do, they just haven't yet.

Walker Yes.

Henry They could try Sir but good luck to them. But quite seriously

Anderson J It would depend on the get-up wouldn't it?

Henry Oh absolutely. You can use any trademark and infringe. This is not a get-up hearing, this is about whether the words are such that we should be entitled to a grant, and with the greatest of respect to my learned

friends, if they seriously believe we're breaching, they should have issued proceedings a long time ago. But the commercial reality has to be understood. The second commercial reality is, we can obtain the grant; they can still go to the High Court and have it set it aside, but if we don't get the grant, that's it for us. This appeal is the end of the trademark for us. It's not the end of process where they can go and challenge our trademark. They have a full right to apply to the High Court and have it set it aside. It's only a registration issue that we're arguing over here. Now I was just addressing the decision of Justice Gendall. His Honour we say set out and did formulate his own view, and he's quite entitled to do that, but we would have expected in the reasoning somewhere for him to have said this is why I think the decision in the Court below is wrong and deal with it with quite a specific response to her logic. Having said that as has been pointed out in the discussion already, when we get to the Court of Appeal, it is again a general appeal and the only restriction on the Court of Appeal is now to have regard to two sets of reasoning and they are quite entitled as Justice Gendall was to form a different view and that is what they did. And we say that the entire criticism of my learned friends is to try and import into a discussion of the merits of this particular case, they're trying to import to that some general principle which was contrary to what the Court has already set out as being the principles that they are applying, and in our submission there is absolutely no basis for reading into para.30, the principles that they are trying to read in. And to follow up on Justice Tipping's point, if Your Honours do take the view that somehow they have read in the wrong test, then we most certainly take the point that this Court is entitled to say that the Court of Appeal's reasoning should stand as that is the appropriate approach to the factual situation faced by the Court.

Tipping J Could you just give me a little help on para.30 Mr Henry, without prejudice if you like to the second point. I'm not inclined to read the word 'wrong' in there, cannot fairly be characterised as wrong as the equivalent of 'not open to'. Now if that were read in that way it wouldn't quite capture the correct approach would it?

Henry Well I make two points Sir. The first is that this is a subjective approach to her logic, and what they're saying is that this particular piece of logic can't be characterised as wrong. Yes they're taking it way past the test, but when you subjectively apply the test, you are allowed to do that. You can say in this case look if you've done it clearly, her logic would have lampooned any judgment you're going to come up with. That's really what they're teaching here, and I accept Your Honour, if you want to read this and say is this a test, the answer is no, they're not intending to set the test out, they've dealt with that. They're applying the test and they're saying on these facts the conclusions cannot fairly be characterised as wrong. They go on and they make it very very clear that they agree with that, and they say at para.31, 'that conclusion leads us a result which in our view is the correct one. We agree with the Assistant Commissioner that the

concept of the word WILD with a large game bird is not the controlling consideration in this case.

Tipping J I'm not worried about that dimension, what I am a bit worried about is that the way in which it's characterised, you've correctly directed us to para.24 where you say no one is troubling themselves about that because it's pretty uncontroversial, but when they come to if you like apply it, it's open to the view.

Henry Oh yes

Tipping J But they have hiked the test up.

Henry I accept Sir. This is a paragraph 'if but for this leave to appeal' the academics would have a field day on it for the next 10 years until we finally got back. I accept that, but what I'm saying Sir is that on a fair reading of this judgment, this is a Court of Appeal, possibly slightly rushed getting a judgment out, where is now just focusing on how he applies a test that he has already set out and he's not thinking here whatsoever about changing the test, and if you read the words in that way then it's correct to say that while that may be the subjective view applying the test, it's not actually the test. We don't suggest it's the test.

Tipping J Alright, thank you.

Henry And you've got to look at the very final

Elias CJ If it were capable of being read in that manner however you would not disagree that it should be corrected, that that impression should be corrected?

Henry Oh the impression should be corrected, yes. The test in paras.20 to 25 is the correct test.

Elias CJ That suggests like a concession that the appeal is warranted even if you're successful?

Henry Oh look I accept leave to have the appeal heard as warranted. We opposed it for pure financial reasons. The cost to my client was really one that they didn't want to go there, but that's a fact of life. I could not as counsel stand here and say that leave was not properly granted because this is an industry where academic writers are bound and they love these sort of paragraph and I fully agree Your Honour, it must be clearly spelt out that that is not the law, because otherwise we'll face 20 years of cases till we finally get back here at some stage to deal with it, so I do accept leaves properly granted, but I don't accept that what is said there was ever intended by the Court of Appeal to be changing the test, and to add to that when you go and look at the very end of para.30, they are delivering very much a merits assessment 'we are satisfied that

that should have been the outcome of the High Court appeal', because they're saying that if you had given weight he would upheld the Commissioner's decision, and I point to the words that they say that 'but not to do so without giving weight to her views', to they're not there suggesting whether the test is fairly characterised as wrong, they're just saying he didn't give

Tipping J I think what they're saying is that the failure to give weight as they saw it was material to the outcome.

Henry Yes, absolutely Sir. We have put it in the written submission Your Honours and the only other point that I would refer you to is para.28 in the sequence, and there's one matter there I wish to correct. Paragraph 30 says 'it is inappropriate for this Court' and it should be 'it's inappropriate for a Court' to make decisive comments on this matter, and in (b) we say 'there is no proper basis for this Court to erode the present principle'. My learned friend Mr Brown has made a submission about the competence of the expert tribunals and in our submission we disagree with that. We don't think Court should go there.

Tipping J Well it does introduce a rather sort of invidious element in a sense doesn't it. The English seem to be embracing it with great enthusiasm but if you're going to let these sort of cases be influenced in part by how sharp or experienced you think the person is, that's getting a bit tricky I would have thought. But anyway we've yet to hear the proposition supporting that.

Henry In my submission Your Honour it's just somewhere where the Courts should be very loath to go and this is certainly not the time

Tipping J Like saying this was an experienced High Court Judge or this wasn't an experienced High Court Judge. I mean that's been subject to some comment in the past.

Elias CJ It's really rather the function being discharged isn't it? That's the key to

Tipping J Not the personality or the attributes of the decision-maker.

Henry Absolutely. We submit that we're far safer with as they're now doing an experienced barrister and solicitor being tapped on the shoulders to take the appointment. Because it is a judicial appointment and an important one and in respect of this particular judgment we say look this is an orthodox approach; it's a classical judgment; the Court of Appeal unanimously in facts upholding what the Commission did and we say that another case, another time maybe if this issue arises. Certainly in England they are dealing with some very lay tribunals in some areas and there is judicial comment that those lay tribunals are very suspect and that's not the case in New Zealand. We've got no lay

tribunals. I adopt my written submissions Your Honours but unless there's something you particularly want to deal with that really is what this respondent can say.

Blanchard J I've just one matter to raise Mr Henry. It's relating to para.31 of the Court of Appeal and the sentence about WILD TURKEY being evocative of the reason of the United States and WILD GEESE having distinct Irish connotations. Was the Court of Appeal entitled to say that? If one looked at the matter from the point of view of the average drinker in a pub or somebody who goes into a bottle store, is it reasonable to think that they would understand that evocation and those connotations?

Henry If we deal with it in two ways Your Honour. First base out of the evidence. There is no strong basis of the evidence of those connotations, but if the Court, as Courts are entitled to, comes with their own knowledge of our society, then that may well be something that they can use as part of their reasoning, but I would certainly submit that if you look at merits you must always go back to the verbal aural comparison of these words and they are just simply chalk and cheese, and always keep in mind the fact that nobody is allowed to own the word WILD and in our submission really what's happened is His Honour in the High Court has given more emphasis to WILD that anybody is entitled to. WILD is not a distinctive of these marks. It is GEESE and TURKEY and that is the dominant feature and that's what you must always take into account. The added comments saying that the ideas associated with two marks are quite different and we support they're different, because one's a TURKEY and the other is a multiple of GEESE. Now the lines after that I'm not in the position to strongly support because there's not evidentiary base, but I do submit it is something that can come from the local knowledge of a tribunal.

Anderson J What do you say to the point Miss Walker made about it being open to the respondent if it saw fit to produce Bourbon or Kentucky or Rye and attach this name to it?

Henry We can, but we're at the peril of an earlier trademark because the trademark they have gallons us. They're entitled to attack our trademark through the High Court if we do. They're entitled to sue us under their trademark and various remedies if we do. We can do it without infringing their trademark. It's what we do that's important, and this is a registration issue, this is not about what we can

Anderson J I think that the weight of the point really is that if it can be applied to bourbon for example, the distinction between Irish Whiskey and Whiskeys from the Southern States of America becomes less distinctive.

Henry I accept that Sir and we run risks of infringement of their trademark if we get too close to them. They're the first in time and they can go to the High Court and they can deal with us if that's what we do.

Tipping J The points for breach aren't necessarily exactly coincident with the points for registration, is that what you're saying Mr Henry in part?

Henry That's right Sir, breach depends on what you do. If we carry on and I have no knowledge of any intent to go and produce Bourbon, this is an Irish Whiskey company, and I think they'd have some major problems if they did, theoretically it's possible, but if we do that they are not without remedies. They have the ability to use their trademark and all the torts, and they still have the ability to apply to revoke our trademark in respect of that usage. They can say look using it as a bourbon is not acceptable, we want you to revoke from using it as a bourbon. It doesn't stop us doing it. The torts that stop us doing it is breaching the trademark under the Fair Trading Act and passing off.

McGrath J It's still the case as well isn't it that the use of a trademark in a manner that passes of is actionable?

Henry They just simply produce their certificate and they own the name because they're first in time.

McGrath J So if all of a sudden instead of attaching the mark to Irish Whiskey, it attaches it to Bourbon and does anything else that may create confusion there, passing off might be a remedy.

Henry Pass of is a remedy; breach of the trademark is a remedy if they can show that what we're doing is going to their reputation.

McGrath J Yes, yes I'm just thinking of the additional dimension, yes.

Henry The certificate means when you do the interim injunction you produce a certificate and it proves your ownership. You don't need to have reams of affidavits saying we've got this name, it really is an evidentiary certificate and that's how we use it.

Elias CJ Yes thank you Mr Henry. Now Mr Brown we've heard the discussion and we have read your submissions. Is there anything that you'd like to add.

Brown Yes there are a couple of points

Elias CJ Would you like to come up to the lectern?

Brown Your Honours the ITA has certainly been grateful for this opportunity because I think, and it seems to be now common ground that the decision of the Court of Appeal has left some considerable uncertainty over for trademark owners and licensees on the issue of what

jurisdictional conditions apply to an appeal to the High Court as well as these inter-related aspects of deference and weight, and I think it's fair to say that the number of trademark removals oppositions in rectification cases that are coming before IPONZ has increased dramatically in the last 10 or so years so that appeals to the High Court from decisions of the Assistant Commissioner or inherent Officers is now a monthly occurrence. It's not just something that happens once in a blue moon, so the importance of this appeal for appeals is significant. The other issue is that although this case comes to be considered in relation to the Tradesmarks Act 1953, in fact the provisions in the new Tradesmarks Act 2002, which came into force in August 2003, are very similar in the same vein so that whatever this Court says in relation to this particular appeal will have equal importance for the 2002 Act and I think it's

Elias CJ Mr Brown can you, I think I did see the appeal provision in the new Act. Is it in the materials we have?

Brown Yes

Elias CJ I'd just like to check it again

Brown Yes, it's in our submissions which we filed. It's in para.12 of my submissions, so you can see in 173 that 'in determining an appeal, the Court may do any of the following things and then (b), 'exercise any of the powers that could have been exercised by the Commissioner in relation to the matter to which the appeal relates'.

Elias CJ So in the 2002 Act as in the 1953 Act is there no conferral of a right of appeal in so many words, it has to be inferred from this provision?

Brown Well there are two answers to that. In relation to the 1953 Act, a question Justice Tipping asked, there are in fact some statutory provisions in the 1953 Act which do confer separate rights of appeal and if you look at s.26 for example, which is the powers dealing with applications for registration, s.26(5), or s.26(5) gives a right of appeal. It says 'an appeal under this section should be made in the prescribed manner and on the appeal the Court shall have required to hear the applicant etc. So that answers Justice Tipping's question as to what is meant by s.66(1) and references to appeal.

Tipping J I thought there had to be something somewhere.

Brown There is and there's also in s.27 a similar provision in relation to oppositions where in s.27(7) it says the decision of the Commissioner shall be subject to appeal to the Court and goes on to specify.

Elias CJ So which is the operative provision in respect of this appeal?

Brown Well this is an opposition, so it would be s.27(7) I guess

Elias CJ I see, yes thank you.

Brown Which gave a right of appeal and then you bring yourself back to the general appeal provision in s.66. Another preliminary matter on some of these statutory provisions is the question about you're tied to the record and I think Justice McGrath asked that question. Certainly you are tied to the record and what typically happens is that at the first directions conference of an appeal the Court makes an order which the Commissioner then fulfills by providing all the existing statutory declarations that have been filed, and those simply get filed as part of the appeal for the High Court, so you are tied to the record of what's gone below.

McGrath J In the *Heineken* case, Justice McGregor said either party may be permitted to bring forward further material for the consideration of the Court.

Brown Well, but that power to grant further evidence is very rare and the sort of principles that the Court of Appeal adopted in the *Yovich* case is usually the one. You have got to show that the evidence is new and that it wasn't available at the time the original evidence was due otherwise the Courts have said well it's just having a dummy run at the hearing officer level and then you try and bring evidence in the High Court and the Courts have frowned on that and said no you won't, you're not allowed to do that.

McGrath J So is the confining of the appeal to the record then, is that in s.27?

Brown No it's not but it's part of the administering of appeal rules in the High Court Rules

Elias CJ Well it's also true of appeals generally isn't it?

Brown Yes, you can't just

Elias CJ But an appeal by rehearing is still done on the record.

McGrath J Yes, so there are those special rules under the Tradesmark Act we need look at - we go straight to the High Court Rules in relation to appeals, in relation to general appeals?

Brown Yes, yes we do, and there is a contrast between say for example what happens in New Zealand will happen in Australia, and in Australia on appeal there is a power to seek to which is relatively liberal in terms of further evidence on appeal but here we've adopted a much stricter approach.

McGrath J Right, if we go back then to the hearing before the Commissioner, the Assistant Commissioner, are there rules which limit cross-examination there?

Brown Well yes the ability to get cross-examination is at the Commissioner or hearing officer's behest and whether it will assist the hearing officer, and the authority for that is in the bundle as a shorthand. You'll have to forgive me, I just stuck some references for my text in there, but at tab 4, on page 36 of the actual text, the second paragraph – this is tab 4, page 36, there's a reference of s.68 giving the Commissioner a discretion to receive viva voce evidence but the approach is that the Commissioner, the Assistant Commissioner to decide whether in arriving at his decision he will be materially assisted by having the two deponents cross-examined, bearing in mind that

McGrath J That's the section I was after, that's fine, s.68 obviously.

Brown So there's a substantial onus and as I think you will know from your *Aqua Tech* case which came before you that it is extremely rare for there to be cross-examination, so effectively the cases are decided by the High Court on appeal on the record, written material, statutory declaration, no cross-examination, so it's a matter of inference

McGrath J Thank you.

Brown On one of the questions which the Chief Justice asked my learned friend Miss Walker about which is was this a general appeal, I must say that we did agree it's dancing on the head of a pin, but I've always taken the view that it is a general appeal, so that you have to show the decision's wrong but that the Courts haven't been particularly troubled by that test as the *Heineken* case shows.

Elias CJ Well 'wrong' means that the Appeal Court comes to a different conclusion.

Brown Yes, indeed.

Elias CJ That's what hierarchy means, it isn't that it's necessarily objectively wrong, it's just wrong in the estimation of the Court.

Brown Yes. Coming to the decision in this appeal, and certainly para.24 has been concentrated on where the Court referred to the High Court was being required to give some weight to the decision of the Commissioner, but the paragraph which obviously attention has been given most pertinently this morning is to para.30 and that's the one that certainly has caused the ITA real concern because of the combination of wordings in that where the words 'which cannot be fairly characterised as wrong' plus the observation that the High Court Judge ought not to have embarked on a reconsideration of the issue without first considering giving weight to the Assistant Commissioner's

decision introduces this element of uncertainty as to what is meant for appeals and what that means to an appellant. I mean on one reading you could say that the reference to the words 'fairly characterised as wrong' is simply to the test that applies in a general appeal anyway, but one's left with uncertainty particularly by the statement 'well before the Court can embark on a reconsideration of the issue on appeal, you must consider and give weight to the Commissioner'. What does that mean? Does that mean that there's some jurisdictional requirement before an appeal can be brought that you have to show that the Commissioner's decision is clearly wrong

Elias CJ Do you have a problem with the word 'required' in para.24 as well?

Brown Well I do in a way because I think all that is needed in the case is

Elias CJ Well you have to start with the decision under appeal because it's an appeal, so you can't ignore the decision.

Tipping J I think it's unfortunately expressed because it combines the idea of it being required to give some weight area within the Commissioner's expertise. Now that seems to me to be setting up sort of characterisations which are unhelpful in this area. The weight you give to it will depend on all sorts of circumstances.

Brown Indeed, indeed, that's exactly right. So is it merely lip service, is it a preliminary jurisdictional requirement? That's why ITA has been most concerned about it. If one looks at the case here, in the High Court Justice Gendall, as has been traversed this morning, it certainly did refer to the need to give consideration of weight to the hearing officer. He said that at para.15, and in para.19 as we've looked, he also contrasted the evidence of the appellant's deponents with the Commissioner's decision, so to that extent he referred to it – he didn't specifically state that he gave it weight but plainly he was alive to that because otherwise why did he say what he said in para.15. And then we also looked at para.25 which I won't canvas again, but it seems to me with respect that Justice Gendall didn't do anything differently from what indeed our Court of Appeal did in the *Heineken* case. If you have a look at the decision in *Heineken*, which is at tab 20 of my bundle, there is sort of a contrast between two of the Judges in the Court of Appeal in terms of para.142 for example

McGrath J Yes.

Brown So it's tab 20 of the *Heineken* case at page 142. If one looks at what Justice Haslam did in that case, where he in the second paragraph

McGrath J Justice Turner.

Brown Sorry, there's two - there's Justice Turner at the top of the page and then Justice Haslam – so I wanted to contrast the two.

McGrath J Oh I see, sorry

Brown Justice Haslam in his judgment in para.2 of his judgment, line 20, and it goes through the principles which he says should apply while great weight must be given to the decision of the decision of the decision of the official occupying a public office. He decision does not relieve the Judge of his own individual responsibility, and then he went over on page 143, second paragraph, 'I proceed therefore to my assessment of the two competing trademarks'. Though he didn't expressly say 'oh I have given weight to the Assistant Commissioner's decision' but clearly he had. Now Justice Turner was more specific in his final paragraph at page 142, he does, he says 'I must do and remember that the learned Commissioner was of the opposite opinion

Elias CJ But it does invite very formulaic reasons doesn't it?

Brown Of course, indeed.

Anderson J I remind myself of the *Bergman.*

Elias CJ Yes, exactly.

Brown Exactly, and then one's just simply playing lip service and it's tick the box which is and I think being fair to Justice Gendall I think he plainly did give consideration to the

McGrath J Does that mean you would not urge us to follow the sort of approaches that were being taken by Lord Justice Robert Walker and Lord Justice May who are talking about spectrums and things of that kind?

Brown Yes well I was going to come to that but I'm just conscious of the time and rather than sort of start maybe I could answer that straight after the break.

Elias CJ Right thank you. We'll take the lunch adjournment and we will see you at 2.15pm.

1.03pm Court Adjourned
2.16pm Court Resumed

Elias CJ Thank you. Yes Mr Brown.

Brown Your Honours the point I was going to address next was this issue of deference, what in policy terms why would deference or possibly the more preferable term, weight be given to a decision of the hearing officer which is a question none of Your Honours have posed this morning, and it is submitted that the rationale for that can really only

rise out of two matters – (a) where the hearing officer has experience or expertise which possibly the High Court might not, and (2) in relation to that first aspect, unlike all other comparable jurisdictions which were surveyed in the submissions that we filed, IPONZ is not using long-term IPON staffers but outside barristers and solicitors with varying degrees of experience on whom it confers the title Assistant Commissioner upon appointment.

Elias CJ But isn't it really rather the point that the assessment called for is not a technical assessment?

Brown Indeed.

Elias CJ It doesn't call for expertise. I mean whether they're longstanding staff members doesn't really seem to me to matter at all.

Brown And it produces an unsatisfactory reason as one of Your Honours said this morning well how could you possibly make any distinction between whether someone had one year, two years or whether they acquired expertise on the job

Elias CJ Yes it's invidious.

Tipping J It's the character of the decision isn't it?

Brown Indeed, indeed, and in that regard it's important to think that in the High Court in its original jurisdiction it's dealing with passing off cases; it's dealing with Fair Trading Act cases; it's dealing with infringement actions and if you look at although the test for confusional deception and infringement is a little bit different from the trademarks so I'll come back to that later, but if look for example at the current 2002 Act and looking at s.89 which specifies what are the tests for infringement of a trademark, you have a sliding scale. Same mark, same goods, then it's an automatic infringement, but if it's similar mark and say well different goods, then the test is you have to show confusion or deception, so that test of confusion or deception is built into the infringement test, which of course the High Court is having to deal with every time in its original jurisdiction when it comes to deal with an infringement action. As I say, there's a slightly lower test in the opposition situation that I'll come to, but the point which Your Honour the Chief Justice was making was that is this a technical issue which requires somewhat arcane experience in my submission not particularly because it's something that the High Court is easily able to do, so if you put that to one side and look at the second reason why you might have deference or weight would be where the hearing officer has heard oral evidence or there's been cross-examination, but as we've heard this morning that rarely arises in cases before hearings officers at IPONZ and the circumstances where the hearing officer is simply reading statutory declarations or affidavits. There's no cross-examination. It's simply a matter of evaluating the evidence and

drawing inferences and High Court Judges do that everyday. I mean they are more skilled

Tipping J Is one way of comprehending all these factors to say that deference is only justified if the first instance person has advantages not possessed by the High Court?

Brown Yes, yes.

Tipping J Whatever those advantages might be?

Brown Yes, now in some cases Sir that might have been where for example as a matter of practice, where there's a matter of evaluating where the hearing officer in the old days used to be a long-term examiner. They had been an examiner in the trademarks office; dealt with thousands of these things and would look at them and brought to be quite a considerable degree of experience, but that is not the position now with hearing officers. They are not long-term staffers, unlike most of the other comparable jurisdictions, so that's not an issue on advantage which seems to be shared or held in today's situation.

McGrath J So where does this get us to in the end? Are you saying that it's not a relevant factor?

Brown Well I'm saying of course one looks at the decision as the Chief Justice put to me before lunch. You look at the decision and work out whether you think it's right or wrong

McGrath J In the same way the High Court would look at a District Court's decision.

Brown Indeed, but

McGrath J But it's no different than that?

Brown But it's not one which calls for huge weight or deference, particularly where it's the same evidence before the hearing officer as the High Court has.

McGrath J So it would be better to say that the High Court can give weight as a relevant factor to the decision of the Assistant Commissioner if it thinks that appropriate?

Brown Yes, and Your Honour put the question I think was, well I got the impression he didn't like the idea that is in those UK decisions where you have it, and I agree with Your Honour and I think it's unsatisfactory to have a sort of ad hockery in terms of what sort of weight one gives to

McGrath J Well it's formulaic isn't it? It sort of almost makes that the issue rather than what's the right decision here?

Brown Yes, but they may have a special case. I mean if there has been oral evidence, if there has been cross-examination and the hearing officer has had to make findings of fact, well in that case there may be some reason on not a very special case why you'd give weight.

Elias CJ And I was thinking over lunch about the necessity to tick the box and show that you had adverted to something. I would be most reluctant to see that sort of notion introduced because think how it would apply in general appeals from the High Court to the Court of Appeal to the Supreme Court, and we usually do address the judgment in the case appealed from, but it's quite usual, well not unusual, to see in final appeal Courts such as the High Court of Australia, them just jumping in to the proposition that's been put to them and their view of that without in fact a dealing with the reasoning that appealed lower down the chain. And on one view that's been put to us, that might be an error of approach.

Brown I can think of one case where the Court of Appeal, which included Justices Blanchard and Anderson, and Justice Gault was presiding, the *Healthy Choice* case where there was an appeal from the Assistant Commissioner to the High Court and then to the Court of Appeal where certainly Justice Gault in his judgment addressed the reasoning in both of the tribunals and the High Court below but then the Court went on in it's judgment to make a series of decisions on the actual issues.

Elias CJ My point being that it may not in the particular context be even necessary to advert to

Brown The weight issue, yes.

Elias CJ Yes.

Brown It does smack of the 'tick the box' formulaic which I think would be inappropriate.

Elias CJ Yes.

Brown And certainly on all these facts I think it's a fair assessment that Justice Gendall did in fact do that. I think it would be unfair to His Honour not to say that he had in fact given weight in consideration to it.

Elias CJ Yes.

Brown The other issues to deal with was just to remind Your Honours that in the submissions we looked not just at the trademark issue but other appeals from Intellectual Property Statutory Rights. There's patents

and designs and in the submissions I just outlined the way in which the High Court in appeals from patent decisions, where you think there would be a greater case for weight or deference, have felt able to make their own decisions in much the same way as was done in the *Heineken* case, so I put in front of you that Justice Barker's decision in *Beecham* and then two other decisions at first instance, and in my learned friend's submissions, the appellants submissions have dealt with the design area too and I think at page 12 of their submissions they refer to the *Rainsford* case where Justice Hammond in an appeal on a design case took much the same approach and wasn't troubled by having to tick the box and give huge weight to the decision. So overall ITA submits that in the circumstances of the New Zealand Act, and the practice in appointing hearing officers, and the nature of the hearings with no oral evidence or cross-examination and in particular the expertise which High Court Judges have in their original jurisdiction anyway incomparable comparison issues that the issue of deference or weight is simply a factor to be weighed by the Court in making it's decision in making its decision on appeal, so it's just simply a factor. That was the approach in the *Heineken* case. There the Court held that proper weight should be given to any opinion of the Commissioner, but the Court couldn't 'shelter behind' another Judge's decision, and the Commissioner's decision couldn't absolve the Judge of his individual responsibility and I submit that's the correct approach. There's an interesting Australian statement at page 12 of my submissions in one of the judgments. Sorry 79, page 24, at para.(c) there the Registrar of Trademarks and Woolworths, and I think Justice French, certainly in my respectful view, got it about right where he said towards the end of that quote 'weight can be given to the Registrar's opinion without compromising the duty of the Court to construe the relevant legal criteria. That does not mean the Court is bound to accept the Registrar's factual judgment, rather it can be treated as a factor relevant to the Court's own evaluation', and I submit that sort of puts it similar to the *Heineken* approach but puts it about right. So in summary the ITA submits that the Court of Appeal formulation in this case in para.30 was wrong insofar as it appears to have imposed an additional jurisdictional hurdle on the appellant. In the vast majority of cases the weight to be given to the first instance decision of a hearing officer is simply a factor to be weighed but that the requirement for the appellant to show the decision under appeal was either clearly wrong or that you had to give weight before you could even embark on the appeal is certainly not the appropriate test.

Tipping J Without wanting to sound pedantic, would it be more accurate to say that the weight should be given to the reasoning of the lower body rather than the raw decision?

Brown Yes, yes, I agree with that.

McGrath J So to an extent I suppose it is an evaluation by someone entrusted with the task of everything that's exactly the same material that's before the

High Court and there are some suggestions that it should carry a bit of weight on that account alone aren't there. I think Lord Hoffman's observations are that

Brown Yes well he was characterising quite a range of situations, particularly for example in the patent area where at one end of the spectrum he was saying you know there's been oral evidence, there's been evaluation of very technical aspects. Of course in those cases you would give considerable weight to the reasoning because it's technical; there's been oral evidence; there's been consideration of the credibility of a witness, but take it further down the spectrum to where we are, where you've got simply a written record which both the first instance hearing officer and the Court is looking at, it's hard to see that the weight

McGrath J Yes, it's just really quite a thing to say that you don't give it any more consideration than the High Court would give to a District Court's judgment, a Court of general jurisdiction in a civil matter. And isn't there something further in the fact

Brown There might be somewhere in between I suppose, because you're saying well a particular hearing officer may have done 20 of these or 15

McGrath J Well there's probably got to be something like that for it to carry any significant weight I suppose.

Brown But then you get into ad hockery, because what is the Assistant Commissioner who's just freshly appointed and hasn't done one of them.

Tipping J Wouldn't it all depend on what it is, what the issue is that you're examining? I mean one instinctively even on a general appeal, District Court to High Court, says well the focus is usually in practical terms on why one side is saying the Judge below got it wrong and the other side saying he got it right, so although we're going to have to grapple in a sense with the abstractions of this, the reality is that there's some sort of de facto requirement that the appellant at least starts to show why it was wrong and why.

Brown Yes indeed, I agree.

Tipping J So there's an element of abstraction in this which is important but one mustn't overlook the reality of it on the ground.

Brown I mean I accepted that in my view that this is a general appeal

Tipping J I'm not disagreeing with anything you've said, I'm just simply saying I think that is a relevant factor.

Brown There is only one other issue I wanted to touch on and that was there was light-hearted comments about confusional deception this morning and that particular issue of confusional deception as I think my learned friend Miss Walker outlined, it's a holistic consideration in the trademark area where it involves a consideration of a number of inter-relating aspects from the marks themselves, the sound or presentation of the marks, the goods or services to which they are applied

Elias CJ Oh, including the goods or services to which they are applied?

Brown Yes.

Elias CJ Yes.

Brown The circumstances in which the marks come to be dealt with in the course of trade, whether it's in a crowded bar or in a supermarket or how one would come to deal with those issues. Whether the mark is well-known or not and also the test of imperfect recollection, because not every member of the public carries with him or her a magical recollection of a trademark. If I asked Your Honours to tell me how the trademark weetbix was reproduced on a weetbix packet you might vaguely say well it's weetbix and it might have some red or blue as part of the trademark, but you couldn't perfectly recall, so those are all factors which come into play when one looks at confusional deception, and test in s.16 of this Act, s.17 of the new Act of confusional deception, is whether and taking all those matters into account, the relevant section of the public might be caused to wonder whether there's a connection.

Elias CJ Now I actually underlined that 'this wonderment'

Brown Yes.

Elias CJ Where does that come from? Is that just

Brown Well if you could look at my learned friend the appellant's bundle of authorities, particularly at tab 14, the *Pioneer* case

Tipping J Is that what I read, Chicken?

Elias CJ Oh.

Tipping J It was another bird.

Brown It was indeed. Live chickens. But just at tab 14 at page 195 at the bottom of page 61 of the decision, and here Justice Richardson

Blanchard J Sorry, which page?

Brown Page 61 of the decision, page 195 of tab 14.

Brown And in this judgment this, beginning about line 20 on page 61, Justice Richardson gave a whole series of propositions which cumulatively helped decide what is the position under s.16 for confusional deception, but if you turn over the page to the one I particularly wanted to elude to was number 8, where it's said 'for a mark to offend against s.16 is not necessary to prove that there is a commercial probability of deception leading to a passing off or infringement action. Detriment or financial loss to an opponent need not be established. It is sufficient if the result of the registration of the mark will be the person to whom the mark is addressed are likely to be deceived or confused, deceived implies a creation of an incorrect belief or mental impression and causing confusion may go no further than perplexing or mixing up the minds of the purchasing public. Where the deceptional confusion alleged is as to the source of the goods, deceived is equivalent to being misled into thinking that the goods bearing the applicant's mark come from some other source and confused to being cause to wonder whether they might not be the case. So you can see it's a lower test than you have in an infringement context, 'caused to wonder'.

Elias CJ Does it come from anywhere else?

Brown It comes from the UK. It's drawn from the previous Tradesmark Act 1938 in the UK and we adopted that in 1939 and it came into our 1953 Act.

Elias CJ And that's interpreted as that being confused is left in wonderment?

Brown Being caused to wonder, yes.

Tipping J In wonderland.

Anderson J Buts not very cultural is it because one might say 'oh wonder if there's another planet? I mean it's more than just speculation isn't it?

Brown Well when one looks at the relevant section of the public and looked in the circumstances in which goods come, bearing in mind that this test is implied in relation to notional fair use of the mark applied for

Anderson J So you have to posit someone looking at WILD GEESE and saying 'hm I wonder if that comes from WILD TURKEY.

Brown Well indeed, and those connections between brands is what often happens in the market.

Anderson J Or Old Grouse, or some other bird, or the bourbon's called EAGLE.

Brown Well to give you a concrete example, because there was a discussion this morning about what's the importance of a mark being well-known, and this particular example that the marks in issue are identical, but the *Ivy League* case, in that case the High Court found there was a

likelihood of confusional deception where the trademark was in respect of the famous eight or nine North American Universities; had never been used in New Zealand but had an enormous reputation here. Applicant applying to register *Ivy League* for clothing in Class 25, there was no evidence that Ivy League had used the mark on the University to use it on clothing in New Zealand what it had overseas, and that the Court was satisfied given the huge reputation which the mark had that if anybody used Ivy League in relation to clothing in New Zealand that a significant number of members of the public would be caused to wonder whether it was connected with the Ivy League Universities.

Anderson J Well I remember when Ivy League was a fashion in shirts back in the 1960s and everybody understood to be a stripy sort of pattern such as likely warn by students at the Ivy League colleges.

Brown Well fortunately Your Honour this case came to be decided in 1990 and, oh sorry 1998, and the relevant date was then and what members of the public at that stage considered to be the meaning of the mark, so there weren't a lot of people who thought that I can tell you.

Tipping J Exactly, they were dinosaurs by that stage.

Anderson J I used to work in a Menswear boutique

Brown That's an identical mark so it doesn't quite meet the proposition of WILD GEESE, WILD TURKEY, but it does show you that the importance or the fame of a mark can have an impact as to whether a mark which is similar

Anderson J And can one take into account the type of public who might be purchasing the particular product?

Brown Yes, the test which Justice Richardson outlined in that case very specifically looked to who was the relevant section of the public

Anderson J Such as in the case of whiskeys if there were proper evidential bases for it perhaps or otherwise you can say well generally speaking people who buy whisky are not casual purchasers of it but people who have some awareness of brand differences.

Brown Well I think you then have to look at the categories and I'm not into those facts, but one would look at the particular specification of goods – is it whiskeys generally, or is it bourbons, or is it spirits generally and in which case you might take a broad

Anderson J Well here its alcoholic beverages isn't it.

Blanchard J Justice Anderson is going to be delighted to read what Justice Richardson says at line 33 on page 62 of the report 'that a Judge or

officer making the decisions are entitled to take into account his own experience and his own reactions as a member of the public?

Brown Yes.

Tipping J We could put deference or weight

Brown That's only when they're sold for general consumption. Well I think those are the only additional comments I have Your Honours unless there is any questions.

Elias CJ No, thank you very much Mr Brown. Is there anything that you want to reply to Mr Henry?

Henry Nothing arises Your Honour.

Elias CJ Yes Miss Walker.

Walker Just a couple of matters Your Honours that I wanted to reply my learned friend for the respondent. The first is this idea of fear and notional use of which my learned friend Mr Brown has also mentioned. The key there being that the use we are talking about prospective use being talked about is not limited to Irish Whiskey. They could conceivably use it on bourbon if they attain the registration.

Tipping J Would you not have actions available to you otherwise that would sort that problem out?

Walker Well my friend referred to the possibility of a number of actions, including infringement proceedings, but there is a statutory defense to trademark infringement proceedings where one has a registered mark, so we would not be able to

Tipping J No, no, not in the trademark context, but in passing off or Fair Trading Act.

Walker Passing off and Fair Trading Act. Potentially yes, particularly insofar as there's any other adoption of any device or labeling issue that changed the complexion, but as my learned friend Mr Brown has indicated, it's a slightly different analysis, it's a significantly different analysis. For instance under Fair Trading, the concept of confusion is a fairly murky one. Normally one does need more than mere confusion notwithstanding I think some trend toward a proposition that confusion caused by a defendant in the Fair Trading Act context could be sufficient, because there's a very thin line between that and being misled or deceived or the likelihood.

Elias CJ Is it more than wonderment?

Walker In the Fair Trading

Elias CJ Yes.

Walker Yes, I would suggest yes.

Elias CJ It might be a good thing.

Walker It is a lesser test in this. If it is a test particularly insofar as the registration analysis is concerned, and that is key. But my friend for the respondent did suggest that there was the option of trademark infringement proceedings. That's very remote unless one could invalidate the trademark once registered and there are a number of hurdles in the way of that – one being the validity of presumption after a fluxion of time, 7 years. There are also some curly res judicarta issues where there has been an opposition and issues have been determined against the appellant's interests. The prospect of actually successfully running invalidity proceeding on the same grounds must be remote.

Elias CJ Well it wouldn't be the same grounds of course.

Walker Well in fact normally one has available to you the same grounds in terms of invalidity proceeding. There are the same grounds as s.60.

Elias CJ Oh I'm sorry I was still back thinking about passing off and Fair Trading.

Walker Right. No, no, that would be different.

Elias CJ Yes I see.

Walker And the third points I wanted to make in response is that I understood My friend to say that once there was aural or visual similarity, that was the end of the story. The question is whether the degree of similarity in all the interdependent circumstances is likely to lead to confusional deception, and at each instance the tribunal Court did determine there was similarity, the question was, was it sufficient, and the Assistant Commissioner said it's not sufficient, and of course Justice Gendall said it was sufficient.

Tipping J Well we know at similarity and you're not going to get off the ground are you?

Walker I would conceptionally under s.16 and you might not even be looking at two different trademarks. In this context we are comparing trademarks, but the point is merely because theoretically there's no visual or aural similarity may not be the end of the story. In this case we do have some similarity.

Tipping J Yes.

Walker And in my submission the combination of that with all those other factors is enough. And those are the point I wish to make Your Honours.

Tipping J Just as a final point, as these cases go generally is it a fair proposition that the closer of the similarity the more likelihood there is of confusion? I mean that sounds like a fairly obvious point, but is there such a technical field? Is it like that in the law in this area?

Walker Generally speaking yes, but because there are so many circumstances to take into account, conceivably what may be most instructive in that analysis is the reputation in the mark, so it's difficult to answer in the abstract.

Tipping J Yes.

Elias CJ Because of the audience.

Tipping J Yes, because of the other contributors.

Walker Yes, yes, that's correct yes.

Tipping J To the assessment, yes.

Walker There was one final point Sir, as far as I am aware and as far as my client is aware, the product, the respondent's product has not been launched, so this discussion about passing off Fair Trading Act has simply not arisen insofar as the ability to take those proceedings. Now I say

Elias CJ Launched here or launched anywhere?

Walker In New Zealand, in New Zealand.

Blanchard J Is it quite a new product internationally?

Walker I don't Sir. The application was 1999 and the extent of the product overseas I just don't know I'm sorry.

Tipping J They could have launched without registration couldn't they? They might have found themselves challenged but

Walker Yes challenged, yes.

Tipping J But there's nothing to stop them from launching.

Walker Well apart from the challenge point.

Tipping J Yes.

Elias CJ Thank you. Thank you Miss Walker. Thank you counsel for your help. We'll take time to consider our decision in this matter.

2.46pm Court adjourned