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DB Breweries Limited v Society of Beer Advocats, Inc [2011] NZIPOTM 19 (13 July 2011)

Last Updated: 14 July 2011

IN THE INTELLECTUAL T19/2011
PROPERTY OFFICE OF
NEW ZEALAND

IN THE MATTER of the Trade Marks Act 2002

AND

IN THE MATTER of trade mark registration no. 700726 **RADLER** in class 32 registered in the name
of **DB BREWERIES LIMITED**

Owner

AND

IN THE MATTER of an application for declaration of invalidity and an application for revocation on
grounds other than non-use, in each case by **SOCIETY OF BEER ADVOCATS, INC**

Applicant

Mr C. Wells and Mr B. Cain for the Applicant
Mr E. Gray and Mr J. Kevany for the Owner

Background

1. DB Breweries Limited (**owner**) is the current owner^[1] of the following registered mark
(**relevant mark**):

Trade mark no.	Trade mark	Class	Dates

700726	RADLER Use statement: being used by the proprietor(s), (being the applicant)	32: Beers; beverages made from malt; lager.	Filed: 2 September 2003 Registered: 8 June 2004
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2. On 30 April 2009, the Society of Beer Advocates, Inc (**applicant**) filed an application for declaration of invalidity pursuant to section 73 of the Trade Marks Act 2002 (**Act**) on the grounds that the relevant mark was not registrable at the deemed date of registration under the Act, being 2 September 2003. According to the IPONZ database, at the date of the application for declaration of invalidity, the owner of the relevant mark was DB Breweries Limited.
3. On 5 May 2009, the applicant filed an amended application for declaration of invalidity on the basis that the section numbering in the application filed on 30 April 2009 was incorrect. The applicant also stated that it had made some minor amendments to the wording of the application but had not added any new grounds.
4. The deadline for filing the counter-statement was 12 July 2009. The owner filed its counter-statement on 10 July 2009.
5. On 2 September 2009 the applicant filed an application for revocation pursuant to section 65 of the Act on the basis that the provisions of section 66 of the Act (except those relating to non-use of a trade mark) were applicable to the relevant mark. According to the IPONZ database, at the application for revocation application date, the owner of the relevant mark was DB Breweries Limited.
6. The deadline for filing the counter-statement was 18 November 2009. The owner filed its counter-statement on 18 November 2009.
7. These proceedings are governed by the Act and the regulations made under the Act (**Regulations**).

Grounds

Application for Declaration of Invalidity

8. Paragraphs 2, 3 and 4 of the application for declaration of invalidity set out the grounds as follows:

“2. Trade Mark No. 700726 was not registrable under s17 Trade Marks Act 2002 as at 2 September 2003 (the deemed date of its registration) for the following reasons:

2.1 The application for the registration of the Owner’s Trade Mark was made in bad faith contrary to section 17(2) because at the deemed date of registration the Trade Mark Owner knew or ought to have known that RADLER was a generic term for a style of beer.

2.2 The Owner’s Trade Mark is and was at the deemed date of registration disentitled to protection in any Court because it is/was a generic term for a style of beer (section 17(1)(b)).

2.3 Registration of the Owner’s Trade Mark in relation to the Owner’s Goods is and was at the deemed date of registration likely to mislead and deceive the public (section 17(1)(a)) and therefore be contrary to law (section 17(1)(b)), because the word RADLER refers to a type of shandy, and not the Owner’s Goods comprising beer, ale, porter, stout, lager, non-alcoholic beverages, syrup, essence or other preparation for making beverages.

3. Trade Mark No. 700726 should not have been registered pursuant to section 18 of the Trade Marks Act 2002 because, as at the date of application:
 - o 3.1 RADLER was not a trade mark, but was (and remains) a generic term (section 18(1)(a)).

3.2 RADLER had no distinctive character because it was (and remains) a generic term (section 18(1)(b)).

3.3 RADLER was a word that served (and continues to serve) in trade only to designate the kind or other characteristics of the goods (section 18(1)(c)).

3.4 RADLER consisted only of a sign or indication that was (and remains) customary in current language and in the bona fide and established practices of trade (section 18(1)(d)).

4. Having regard to the aforementioned paragraphs, pursuant to ss 17 and 18 Trade Marks Act 2002, Trade Mark No. 700726 was not registrable at the deemed date of its registration.”

Counter-statement to Application for Declaration of Invalidity

9. The owner’s response to the application for declaration of invalidity as set out in the counter-statement are as follows:

“4 The owner admits that the applicant is an unincorporated society but otherwise has no knowledge of and therefore denies the statements in paragraph 1.1.

5. The owner admits that the document purporting to be the applicant’s Charter filed with the Registrar of Incorporated Societies includes the goals set out in paragraph 1.2, but otherwise has no knowledge of and therefore denies paragraph 1.2.
6. The owner denies paragraph 1.3.
7. The owner denies paragraph 1.4.
8. The owner denies paragraph 1.5
9. Except as admitted above, the owner denies paragraph 1.

In response to the grounds for the application for declaration of invalidity, the owner states that:

10. It denies paragraph 2.
11. It denies paragraph 3.
12. It denies paragraph 4.
13. Alternatively or additionally to the denials set out in the paragraphs above, the relevant mark has acquired distinctive character such that section 73(2) of the Act applies.
14. It is not required to plead to the relief sought but denies that it should be granted.”

Application for Revocation (other than Non-Use)

10. Paragraphs 2 and 3 of the application for revocation set out the grounds as follows:

”2 THE GROUNDS FOR THE APPLICATION ARE:

2.1 IN consequence of the acts or inactivity of the Owner, the trade mark has become a

common name in general public use for a product in respect of which it is registered.

2.2 IN consequence of the trade mark's use by the Owner or with the Owner's consent in relation to the goods in respect of which the trade mark is registered, the trade mark is likely to deceive or confuse the public, as to the nature, quality or geographical origin of those goods.

3. **HAVING** regard to the foregoing, the entry on the Register of the trade mark is an entry wrongly remaining on the Register"

Counterstatement to Application for Revocation (other than non-use)

11. The owner's response to the application for revocation (other than non-use) as set out in the counter-statement are as follows:

"4. The owner admits that the applicant is an incorporated society but otherwise has no knowledge of and therefore denies the statements in paragraph 1.1.

5. The owner admits that the document purporting to be the applicant's charter filed with the Registrar of Incorporated Societies includes the goals set out in paragraph 1.2 but otherwise has no knowledge of and therefore denies paragraph 1.2.
6. The owner denies paragraph 1.3
7. The owner denies paragraph 1.4.
8. The owner denies paragraph 1.5. The applicant's members, other brewers and beer importers can legitimately describe their products using other words such as the word "shandy" which is the term commonly used in New Zealand to describe a beer and lemonade mixture, the product referred to as "radler" in some parts of Europe.
9. Except as admitted above, the owner denies paragraph 1.

In response to the grounds for the application, with reference to the Application for Revocation (other than non-use), the Owner states that:

10. It denies paragraph 2.1.
11. It denies paragraph 2.2
12. It denies paragraph 3.
13. The owner admits paragraph 5.
14. It is not required to plead to paragraphs 4 and 6 but denies that the relief sought should be granted.

Evidential matters

Onus for establishing applicant as an aggrieved person

12. The applicant has the onus of establishing that it is an aggrieved person as at each of the application date for the application for declaration of invalidity and the application date for the application for revocation respectively.[\[2\]](#)

Onus for establishing grounds for declaration of invalidity

13. In its submissions the applicant argued that the onus was on the owner to establish that the RADLER trade mark was eligible for registration as a trade mark at the deemed date of its

registration – see *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 at 61 (“*Pioneer Hi-Bred Corn*”).

14. Contrary to this, the owner submitted that section 162 of the Act provides that registration of a trade mark is prima facie evidence that the mark is valid.
15. Section 162 states:
 162. In all legal proceedings that relate to a registered trade mark the fact that a person is registered as owner of the trade mark is prima facie evidence of the validity of the original registration of the trade mark and of all later assignments and transmissions
16. The owner further submitted that, as a result of this presumption, an applicant for invalidity (or revocation as the case may be) has the onus of proving, on the balance of probabilities, that the mark was not eligible for registration at its application date (see *Fredco Trading Ltd v Miller* (2006) 8 NZBLC 101, 761 citing *Kerly's Law of Trade Marks and Trade Names* (14th ed. London, Sweet and Maxwell, 2005)).
17. In my opinion, the owner's submission is the correct one; the applicant has the onus of proving that the mark was not eligible for registration at its application date.

Standard of proof and evidential requirements

18. The standard of proof is the balance of probabilities, and the evidential requirements of the High Court apply to these proceedings.^[3]

Applicant's application to file further evidence – second statutory declaration of Mr Brian Steel

19. The applicant had applied on 28 April 2011 to file a second declaration from Mr Brian Steel out of time. In its letter of 2 May 2011, the owner objected to the admission of that late filed evidence.
20. After due consideration, IPONZ found that the situation justified the Commissioner's discretion being exercised in favour of admitting the late filed evidence and it advised the parties in its letter of 3 May 2011 that it proposed to admit the second Steel declaration. IPONZ noted that if the owner sought a hearing on the proposal to admit the further evidence of Mr Steel out of time that the owner be heard on this issue at the hearing as the first matter of the day.
21. The owner addressed this matter at the commencement of the first hearing day and was followed by the applicant. Having regard to the IPONZ decision referred to above and to the parties' submissions at the hearing, I made a ruling at the commencement of the hearing that I agree with the decision of IPONZ on this issue and therefore admit the late filed second Steel declaration. I advised the parties that I would assess the weight and relevance of the second Steel declaration as part of deciding the substantive matters.

Cross-examination of witnesses

22. In a letter to IPONZ dated 20 April 2011, the applicant formally notified IPONZ and the owner of its application to cross-examine Dr Parsons and in so doing noted that IPONZ states in its letter to the parties dated 15 April 2011, at the 5th paragraph under the sub-heading “**2. Cross-examination of witnesses**”:

For the parties' information, we advise that cross-examination should only be allowed where the Commissioner is satisfied that there is concern as to the credibility of a witness or the veracity of written evidence, or where there is a contradiction between written evidence submitted which cannot be resolved other than by cross-examination.

23. The applicant went on to make the following submissions in relation to Dr Parsons:

23.1 That as a result of [the IPONZ] decision to allow the second Parsons declaration, this is precisely the situation where cross-examination of Dr Parsons is justified as there is a contradiction between the written evidence submitted by the parties concerning market research methodology which cannot be resolved other than by cross-examination.

23.2 That the Commissioner should exercise his discretion to allow cross-examination of Dr Parsons unless IPONZ permits the applicant to file further evidence out of time pursuant to regulation 34(3) in reply to the second Parsons declaration, in which case the applicant will withdraw its application to cross-examine Dr Parsons.

24. In its aforesaid letter to IPONZ dated 20 April 2011, the applicant also notified IPONZ and the owner of its application to cross-examine Mr Russell Frederick Browne. The applicant went on to make the following submissions in relation to Mr Browne:

24.1 There are major contradictions between the written evidence of the parties that cannot be resolved other than by cross-examination of Mr Browne. These contradictions go to the heart of the principal issue in these proceedings and consequently necessitate cross-examination of Mr Browne.

24.2 The major contradictions between the written evidence of the parties arise in respect of, inter alia:

- The owner's knowledge of beer styles at the time it applied to register the subject mark;
- The circumstances in which the owner applied to register the subject mark;
- Evidence relating to the marketing materials of the owner;
- Interpretation of these marketing materials; and
- Use of the word "radler" by the owner.

24.3 As the marketing manager for the Monteith's brand, Mr Browne is the only witness of the owner who can properly answer questions in relation to the above contradictions.

24.4 It is in the interests of overall justice in these proceedings that the applicant be allowed to cross-examine Mr Browne.

25. In relation to cross-examination generally, I make the following observations:

25.1 It is likely that the Commissioner will only rarely permit witnesses to be compelled to attend a hearing for the purpose of cross-examination and this step would require an application to satisfy the Commissioner that it was necessary;

25.2 In every proceeding the Assistant Commissioner has the task of assessing evidence to assign its probity and weight in relation to the substantive matter. Points of disagreement by expert witnesses remain open to challenge by submissions of the parties at the substantive hearing;

25.3 Cross-examination should only be allowed where the Commissioner is satisfied that there is concern as to the credibility of a witness or the veracity of written evidence, or where there is a contradiction between written evidence submitted which cannot be resolved other than by cross-examination.

25.4 Historically there have been very few, if any, hearings where oral evidence and/or cross-examination of witnesses have been allowed. This suggests that in most cases matters of credibility etc. can be resolved on the papers or through submissions at the hearing.

26. Having considered these submissions and those by the owner in response, I made a ruling at the commencement of the hearing that Dr Parsons will attend the hearing for cross-examination at 11.00 am on 4 May 2011 and he may be questioned by the owner in reply.
27. I also made a ruling at the commencement of the hearing that Mr Browne will make himself available for cross-examination by the applicant on 5 May 2011 at 11.00am NZ time by appropriate communication method, such as video conference, Skype or teleconference, as he was then in the Bali region of Indonesia.

The applicant's evidence in support of its applications

28. The applicant's evidence in support of its application for declaration of invalidity under regulation 110(1)(a) and under regulation 103(1)(a) in respect of its application for revocation respectively consists of the statutory declarations set out in Part A of the Schedule hereto.

The owner's evidence opposing the applications

29. The owner's evidence in support of its opposition to the application for declaration of invalidity under regulation 111 and under regulation 104 in respect of its opposition to the application for revocation respectively consists of the statutory declarations set out in Part B of the Schedule hereto.

The applicant's evidence in reply

30. The applicant's evidence in reply under regulations 112 and 105 consists of the statutory declarations set out in Part A of the Schedule hereto.

Applicant's application to file further evidence – third statutory declaration of Mr Geoffrey Griggs

31. The applicant had applied on 26 April 2011 to file a third declaration from Mr Geoffrey Griggs out of time. After due consideration by IPONZ of the late evidence and the parties' submissions, paragraphs 1 to 5 and exhibit GDG-30 were admitted to the proceedings. No hearing was sought in relation to this exercise of the Commissioner's discretion.

Owner's application to file further evidence – second statutory declaration of Mr Andrew Parsons

32. The owner had applied on 26 January 2011 to file a second declaration from Mr Andrew Parsons. After due consideration by IPONZ of the late evidence and the parties' submission, the declaration was admitted to the proceedings. The applicant had sought a hearing in relation to this exercise of the Commissioner's discretion; however, that hearing request was subsequently withdrawn.

Is the applicant an aggrieved person?

Section 65 of the Act

33. Section 65(1) of the Act states:

(1) An aggrieved person may apply to the Commissioner or the Court for the revocation of the registration of a trade mark.

Section 73 of the Act

34. Section 73(1) of the Act states:

(1) The Commissioner or the Court may, on the application of an aggrieved person (which includes a person who is culturally aggrieved), declare that the registration of a trade mark is invalid to the extent that the trade mark was not registrable under Part 2 at the deemed date of its registration.

“Aggrieved person” is to be given a wide interpretation

35. In my opinion, the interpretation of an aggrieved person under the Act is the same as that required under the Trade Marks Act 1953 – a liberal or wide interpretation, consistent with section 5(1) of the Interpretation Act 1999. Brown and Grant, *The Law of Intellectual Property in New Zealand* at 92 states:

The nature of the interest required to qualify a person as “aggrieved” within this provision has long been settled [*Re Concord Trade Mark* [\[1987\] FSR 209](#)]. The Courts have construed the provision liberally, the reason being that, putting aside the officious person or mere common informer, it is undoubtedly of public interest in order to keep the register accurate that the category of persons able to apply should not be unduly limited [*Powell v Birmingham Vinegar Brewery Co* [\[1894\] AC 8](#); *Kodiak Trade Mark* [\[1987\] RPC 269](#)]. [my emphasis]

36. In *Fareed Khalaf Sons Company trading as Khalaf Stores v Phoenix Dairy Caribe NV* (High Court, Wellington, CIV 2002-485-000207, 3 September 2003), the High Court also supports giving the term “aggrieved person” a wide interpretation:

[23] I would add only that the term “aggrieved person” in s. 41(1) of the Trade Marks Act 1953 is to be given a wide interpretation, consistent with s.5(1) of the Interpretation Act 1999. [my emphasis]

37. The issue appears to be whether there was (at the application dates of 30 April 2009 and 2 September 2009) a reasonable possibility of the applicant being appreciably disadvantaged in a legal or practical sense by the relevant mark remaining on the register – *Ritz Hotel Ltd v Charles of the Ritz Ltd* [\(1988\) 12 IPR 417](#) at 454-455, which appears to have been adopted as an appropriate statement of the aggrieved person test by the Federal Court of Australia in *Nike International Ltd v United Pharmaceutical Industries (Aust) Pty Ltd* [\(1996\) 35 IPR 385](#) at 397:

“It is sufficient for present purposes to hold that the expression [“person aggrieved”] would embrace any person having a real interest in having the register rectified, or the trade mark removed in respect of any goods, as the case may be, in the manner claimed, and thus would include any person who would be, or in respect of whom there is a reasonable possibility of his being, appreciably disadvantaged in a legal or practical sense by the register remaining unrectified, or by the trade mark remaining unremoved in respect of any goods, as the case may be, in the manner claimed. In my opinion, the concept does not admit of further refinement. In deference to a submission by the defendants based on, inter alia, *Re “Consort” Trade Mark* [\[1980\] RPC 160](#) at 166, I would merely add that in my view there is no legitimate basis for introducing into the concept of “person aggrieved” for the purposes of s 22(1) or 23(1) any restriction based on the conditions required to be fulfilled by an applicant for registration of a trade mark. I reject the defendants’ submission that “the plaintiff must show a trade rivalry by demonstrating that it is either in trade or has a fixed and present intention to enter trade in Australia in goods sufficiently similar to those covered by classes 3 and 26 as to be likely to cause confusion”. In the present case the question whether the plaintiff is a “person

aggrieved” in relation to any of the claims made in the proceedings has no necessary relationship to the question whether the plaintiff could itself successfully apply for registration of any of the subject marks:...

Reasons why the applicant considers that it is an aggrieved person

38. In respect of its application for declaration of invalidity, the applicant has set out at paragraph 1 of the application the basis for its aggrieved person status as follows:

1. The Applicant is an aggrieved party because -

- **1.1** The Applicant is an incorporated society whose membership and sponsors include commercial breweries, home brewers, beer importers and people who are interested in and appreciate good beer.
- **1.2.** The goals of the Applicant include (inter alia):
 - To promote awareness of beer in all its flavour and diversity
 - To protect and improve consumer rights with regard to beer and associated service
 - To campaign for greater appreciation of traditional crafted beer
 - To act as an independent resource for both the consumer, the pub trade and the brewing industry
- **1.3** RADLER is a recognised generic term internationally for a style of beer – specifically a type of shandy.
- **1.4** RADLER is, and was prior to September 2003, a recognised generic term in New Zealand for a style of beer.
- **1.5** The applicant is aggrieved by the registration of the generic term ‘radler’ as a trade mark in New Zealand and the consequent prohibition on its members and other brewers against using the word ‘radler’ in trade or otherwise to describe radler-style beer.

39. In respect of its application for revocation (other than non-use), the applicant has set out at paragraph 1 of the application the basis for its aggrieved person status as follows:

1. THE Applicant is a person aggrieved within the meaning of Section 65 of the Trade Marks Act 2002 because -

- **1.1** THE Applicant is an incorporated society whose membership and sponsors include commercial breweries, home brewers, beer importers and people who are interested in and appreciate good beer.

1.2 THE goals of the Applicant include (inter alia):

- To promote awareness of beer in all its flavour and diversity
- To protect and improve consumer rights with regard to beer and associated service
- To campaign for greater appreciation of traditional crafted beer
- To act as an independent resource for both the consumer, the pub trade and the brewing industry

1.3 RADLER is a recognised generic term internationally for a style of beer – specifically a type of shandy.

1.4 RADLER was (prior to 2003) and/or has become a recognised generic term in New Zealand for a style of beer.

1.5 THE Applicant is aggrieved by the continuance on the Register of Trade Mark No.700726 because:

- (a) the registration is prejudicial to and interferes with the interests and/or lawful conduct

of the businesses of its members in respect of the goods for which the said trade mark is registered, and

(b) the registration prevents its members, other brewers and beer importers from using the word 'radler' in trade or otherwise from legitimately describing radler-style beer.

40. In its submissions in relation to both the application for declaration of invalidity and the application for revocation (other than non-use) the applicant noted that in a recent related decision relating to an application for revocation for non-use, the applicant was held to be an aggrieved person: *DB Breweries Limited v Society of Beer Advocates, Inc*, 27/04/11, T04/2011, Trade Mark No. 700726.

The owner's position concerning applicant's alleged aggrieved person status

41. In its counter-statement in response to the application for declaration of invalidity, at paragraphs 4, 5, 6, 7, 8 and 9, the owner responds to the applicant's allegations concerning the applicant's aggrieved person status as follows:

"4 The Owner admits that the applicant is an incorporated society but otherwise has no knowledge of and therefore denies the statements in paragraph 1.1.

5. The Owner admits that the document purporting to be the Applicant's charter filed with the Registrar of Incorporated Societies includes the goals set out in paragraph 1.2, but otherwise has no knowledge of and therefore denies paragraph 1.2.
 6. The Owner denies paragraph 1.3.
 7. The Owner denies paragraph 1.4.
 8. The Owner denies paragraph 1.5.
 9. Except as admitted above, the owner denies paragraph 1."
42. In its counter-statement in response to the application for revocation (other than non-use), at paragraphs 4, 5, 6, 7, 8 and 9, the owner responds to the applicant's allegations concerning the applicant's aggrieved person status as follows:

"4 The Owner admits that the applicant is an incorporated society but otherwise has no knowledge of and therefore denies the statements in paragraph 1.1.

5. The Owner admits that the document purporting to be the Applicant's charter filed with the Registrar of Incorporated Societies includes the goals set out in paragraph 1.2, but otherwise has no knowledge of and therefore denies paragraph 1.2.
 6. The Owner denies paragraph 1.3.
 7. The Owner denies paragraph 1.4.
 8. The Owner denies paragraph 1.5. The applicant's members, other brewers and beer importers can legitimately describe their products using other words such as the word "shandy" which is the term commonly used in New Zealand to describe a beer and lemonade mixture, the product referred to as radler in some parts of Europe.
 9. Except as admitted above, the owner denies paragraph 1."
43. At the hearing and in relation to both the application for declaration of invalidity and for revocation (other than non-use), the owner's submissions included the following in support of its contention that the applicant is not an aggrieved person under either section 65 or 73 of the Act:

43.1 The applicant is a group of beer enthusiasts; it is not an industry association or lobby group. It has no official mandate or representative membership. Its members are individuals, not commercial

entities. It has no mandate or responsibility to members of the brewing industry in New Zealand. It is accountable only to its members and to the stated goals of the society.

43.2 The applicant claims to be aggrieved on the basis of the inability of its members and sponsors, who include “commercial breweries, home brewers and people who are interested in and appreciate good beer”, to use a generic term for a style of beer. It also claims to act as an “independent resource for both the consumer, the pub trade, and the brewing industry.”

43.3 The applicant must therefore establish that, although it is not “in the trade” or a body representing those in the trade, the applicant itself is appreciably disadvantaged by the mark remaining on the register.

43.4 As the applicant is not a member of the trade or a trade organisation, it is not able to meet the standard required to be an aggrieved person. However, if it is found that this is not a total obstacle, the owner submits that, as the applicant is an incorporated society, the measure of the applicant’s disadvantage must be as against its stated goals. In this case, the only relevant goals of the applicant are as set out in the application for declaration of invalidity namely:

“To promote awareness of beer in all its flavour and diversity”;

“To protect and improve consumer rights with regard to beer and associated service”;

“To act as an independent resource for the consumer, the pub trade and the brewing industry”.

43.5 The owner submits that the applicant can still fulfil all of those aims in its charter, even if the RADLER trade mark remains on the register.

43.6 The RADLER trade mark remaining on the register does not affect consumer rights directly and in a practical sense. If anything, the RADLER trade mark registration only affects other traders wanting to use the same or a similar mark in the course of trade. Significantly, none of those traders has applied to remove the RADLER registration.

43.7 Registration of RADLER does not limit the choice offered to consumers or the applicant’s ability to promote awareness of beer. The monopoly conferred is in the use of the trade mark, not any type of product (or combination thereof) and the products claimed to be known by the name is also admitted by the applicant to have a more commonly-used name in New Zealand viz “shandy”.

Finding

44. It seems to me that the owner’s submissions have a significant degree of merit. Indeed, and as the owner submits, it is arguable that the applicant is not an aggrieved person.
45. However, I am conscious that the term “aggrieved person” must be given a liberal or wide interpretation, consistent with section 5(1) of the Interpretation Act 1999. After due consideration of the submissions made by both parties I am inclined to the view that the applicant has established that it is an aggrieved person because, at the application date of 2 September 2009, there was a reasonable possibility of the applicant being appreciably disadvantaged in a legal or practical sense by the relevant mark remaining on the register for the following reasons:

(a) the registration may be prejudicial to and may interfere with the interests and/or lawful conduct of the businesses of its members in respect of the goods for which the said trade mark is registered, and

(b) the registration may prevent its members, and other brewers and beer importers from using the word ‘radler’ in trade or otherwise from legitimately describing radler-style beer.

Market Survey Evidence

46. The applicant has submitted that a key issue in these proceedings is the question of whether or not members of the New Zealand public understood the word radler to be a descriptive term or a trade mark for the goods:

(a) at the date of registration of trade mark no. 700726; and/or

(b) after the date of registration through radler having acquired a distinctive character.

47. In an effort to answer this question, the owner has submitted a Colmar Brunton survey of 500 people.

48. The market survey comprises the following:

53.1 The survey questionnaire (annexed as AGP-2 to the First Parsons Declaration);

53.2 The interviewers instructions (annexed as AGP-3 to the First Parsons Declaration);
and

53.3 The raw data responses (annexed as AGP-4 to the First Parsons Declaration).

49. The intention of the survey, according to Dr Parsons (para 5, First Parsons Declaration) was “... to investigate the meaning (if any) associated by members of the New Zealand public with the term RADLER in relation to “beer”.

50. Dr Parsons reviewed the survey questionnaire and the interviewers instructions (para 9, First Parsons Declaration) and he suggested a number of alterations which were implemented by Colmar Brunton (paras 8 and 9, First Parsons Declaration).

51. The survey was undertaken by Colmar Brunton between 19 April and 2 May 2010 (see Exhibit AGP-3, First Parsons Declaration). The interviewers contacted over 5500 people to obtain a final sample size of 500 respondents.

52. Once completed Dr Parsons was commissioned to analyse and interpret the raw data. This analysis constitutes the First Parsons Declaration.

53. The applicant submitted that the first question to be determined is whether the survey is admissible as evidence in the invalidity proceedings.

54. As noted earlier in this decision, the evidential requirements of the High Court apply to these proceedings. The admission of evidence is governed by the Evidence Act 2006 (“Evidence Act”).

55. Section 7 of the Evidence Act sets out the principles which govern the admissibility of evidence:

7 Fundamental principle that relevant evidence admissible

(1) All relevant evidence is admissible in a proceeding except evidence that is –

(a) inadmissible under this Act or any other Act; or

(b) excluded under this Act or any other Act.

(2) Evidence that is not relevant is not admissible in a proceeding.

(3) Evidence is relevant in a proceeding if it has a tendency to prove or disprove anything that is of consequence to the determination of the proceeding.

56. It is settled law in New Zealand that market survey evidence is not hearsay evidence but is prima facie admissible as proving a public state of mind on a specific question or as proving an external fact, namely that a designated opinion is held by the public or a class of the public. In other words, where evidence of meaning or reputation is relevant, evidence from a properly conducted and representative survey of the relevant public will be preferable to an interminable parade of witnesses: see *Customglass Boats Ltd & anor v Salthouse Brothers Ltd & anor* [1976] 1 NZLR 36 (HC), 42.
57. Admission of any market survey evidence is still subject to the relevance threshold in section 7 of the Evidence Act and any time stipulations.
58. In relation to the market survey, the applicant submitted that:

58.1 The survey is inadmissible as evidence in support of the owner's opposition to invalidity under section 17(1)(b) and section 18(1)(a) as it post-dates the relevant date;

58.2 The opinion in the statutory declaration of Richard William Brookes relating to the Survey is inadmissible as the Commissioner is not likely to obtain substantial help from it and it is therefore irrelevant; and

58.3 To the extent that the survey evidence is admissible as evidence in support of the owner's defence under section 73(2) to the invalidity claims under section 18(1)(b) and (c), it is of little probity and consequently should be given little weight in the determination of the invalidity application.

59. I disagree with these submissions.
60. As to para 58.1, even if the submission were to be correct, the onus of proving the claim for invalidity under section 17(1)(b) and section 18(1)(a) rest with the applicant. It is not up to the owner to prove otherwise.
61. As to para 58.2, I consider this submission is wrong. In my opinion, the survey has been properly constructed and carried out and is therefore admissible as evidence. It is therefore up to me to determine whether or not I am likely to obtain substantial help from it.
62. As to para 58.3, I consider the survey to be admissible as evidence. In my opinion, the probity to be attached to the survey is for me to determine as is the weight to be given to it.
63. I should note at this point that the survey evidence of the owner appears to establish that RADLER has no relevant meaning in the New Zealand beer market other than in relation to its Monteith's product.

Application for Declaration of Invalidity

64. The applicant's principal submissions were that:

64.1 Radler was a generic term as at the relevant date (2 September 2003) and therefore was not registrable.

64.2 The radler word has not acquired a distinctive character since 2 September 2003 and therefore the owner cannot rely on s. 73(2).

64.3 The application to register the radler trade mark was made in bad faith.

64.4 Use and registration of radler was likely to deceive at the relevant date.

65. I will address each of these principal submissions in turn below.

(i) Radler was a generic term at the relevant date (2 September 2003) and therefore not registrable.

66. The applicant submitted that the relevant law is:

66.1 Section 73 of the Act which provides:

73 Invalidity of registration of trade mark

(1) The Commissioner or the Court may, on the application of an aggrieved person (which includes a person who is culturally aggrieved), declare that the registration of a trade mark is invalid to the extent that the trade mark was not registrable under Part 2 at the deemed date of its registration.

(2) Despite subsection (1), the registration of a trade mark that has acquired a distinctive character after its registration must not be declared invalid even though the trade mark was not registrable under section 18(12)(b), (c), or (d) at the deemed date of its registration.

66.2 Section 18 falls within Part 2 of the Act and provides, so far as is relevant that:

18 Non-distinctive trade mark not registrable

(1) The Commissioner must not register:

- (a) A sign that is not a trade mark;
- (b) A trade mark that has no distinctive character;

(c) A trade mark ... that consists only of signs or indications that may serve, in trade, to designate the kind ... intended purpose ... of goods ... or other characteristics of the goods or services;

(d) A trade mark that consists only of signs or indications that have become customary in the current language or in the bona fide and established practices of trade.

66.3 Section 5 defines a ‘trade mark’ and so far as is relevant provides:

Trade mark-

(a) Means any sign capable of –

(i) being represented graphically; and

(ii) distinguishing the goods or services of one person from those of another person.

66.4 As to the meaning of “capable of distinguishing” the applicant refers to *McCain Foods (Aust) Pty Ltd v Conagra Inc* [2002] 3 NZLR 40 (“*McCain*”) and the Court of Appeal statement at [14] and [15]:

[14] Since the quality of being capable of distinguishing must be present before the date of registration (it must be a trade mark), the meaning to be given to the quality of capable of distinguishing must involve an existing capacity rather than merely a capability (in the sense of potential) for becoming distinctive in the future. That must be correct; otherwise it would be possible to obtain registration and sue for infringement before a mark has realised the very quality essential to any trade mark – that of distinguishing the goods or services of the proprietor from those of competitors. Further, to grant registrations on the basis of potential would require speculation about the manner and extent of future use by which the potential will be realised.

[15] Accordingly, to be capable of distinguishing, a mark must at the date of registration have that as an inherent quality or have it demonstrated in fact by prior use or “other circumstances”. There seems no reason why subsequent events might not constitute “other circumstances” where they assist in

establishing the essential quality at the time of registration.

66.5 The test for descriptiveness is set out in *Mark Foy's Ltd v Davies Coop & Co Ltd* ([1956 CLR 190](#)) at 195:

The test must lie in the probability of ordinary persons understanding the words, in their application to the [services], as describing or indicating or calling to mind either their nature or some attribute they possess.

66.6 The issue is whether the relevant mark has “*inherent qualities that mark it out as of a distinctive character*” *Fredco Trading Ltd v Miller* ([2004 65 IPR 653](#)) (“*Fredco*”) at 661.

66.7 The level of distinctiveness for a mark to qualify as a trade mark appears to be different to the level under section 18(1)(b) of the Act. In other words a mark does not have distinctive character by virtue only of being a sign that is a trade mark: *Fredco* at 661.

66.8 Whether or not the owner is likely to be successful in establishing that RADLER was eligible for trade mark registration depends upon the test in *Registrar of Trade Marks v W & G Du Cros Ltd* ([1913 30 RPC 660](#)) at 672, approved by the Court of Appeal in *McCain* at 44:

The applicants’ chance of success in this respect must, I think, largely depend upon whether other traders are likely, in the ordinary course of their business and without improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods.

67. At this point I would say that I agree with the applicant’s statements of the relevant law.
68. The applicant then went on to submit that the onus is on the owner to establish that its RADLER trade mark was eligible for registration at the date of its trade mark application. For the reasons set out in paragraphs 13 to 17 above I disagree with this submission. I consider that the onus is on the applicant to prove that the trade mark was not eligible for registration in New Zealand at the relevant date of 2 September 2003.
69. The applicant’s principal submissions on eligibility of the trade mark under section 18 of the Act are that:
 - o 69.1 As a generic term, radler is not a trade mark. It is incapable of distinguishing the beer based beverages of one person/trader from those of another person/trader (s.18(1)(a));
 - o 69.2 As a generic term for the goods, radler has no distinctive character (s. 18(1)(b));
 - o 69.3 As a generic term, the word radler merely “designates the kind” and “intended purpose” of the product and designates “other characteristics of the goods” such as its composition and flavour (s. 18(1)(c));
 - o 69.4 As a generic term, radler is a sign or indication that at the relevant date it had become customary in the current language or in the bona fide and established practices of trade (s. 18(1)(d)).

Applicant’s evidence

70. To succeed the applicant must establish that the word RADLER would have been interpreted by the ordinary New Zealand consumer of the goods as being a generic term as at 2 September 2003. It is therefore important to carefully analyse the applicant’s evidence in support of its contention.

71. As to the applicant's evidence that RADLER was known as a generic term as at 2 September 2003, the applicant noted that it has obtained statutory declarations from around 40 members of the New Zealand public attesting to their knowledge of RADLER and its meaning prior to 2 September 2003. The declarations are listed in Part A of the Schedule hereto and identified collectively as the SOBA declarations.
72. In relation to the SOBA declarations, the owner makes the following submissions:

72.1 The SOBA declarations are pro-forma declarations;

72.2 In addition to lack of representativeness with the submission of individual declarations of opinion from selected witnesses, the courts have raised particular issue with use of pro-forma declarations;

72.3 Issues of probity arise where statutory declarations containing the desired opinion are provided without first establishing their views through non-leading methods. See in particular the comments of Morton J in *Re Hacks Application* [1941] 58 RPC 91 at 110, line 25:

"In my view, it is not the right or proper way of preparing evidence for a case of this kind to put before members of the trade, or members of the public, a statutory declaration already drafted containing statements of fact and ... statements of what witnesses would have thought if certain things had happened or impressions of the witness without previously ascertaining by means of non-leading questions and answers that it represents his views. It really amounts to putting a series of leading questions which suggest the answer required in the most complete manner and put into the mouth of the witness words which he might not have thought of using, although when the declaration is put before him he may think, and think quite honestly, that it accurately represents the facts."

72.4 While the obvious use of pro-forma declarations may not always itself be sufficient to indicate that repeated comments are not honestly held, in the absence of evidence to show how the witnesses were selected, how their views were ascertained and whether others had been approached whose views were contrary, no reliance should be placed on those statements: *OREAL Trade Mark* [1980] RPC 110 citing *Hack's Application*.

72.5 There is an important distinction between RADLER being used by the New Zealand public as a generic term in relation to beer and an "awareness" by a limited number of New Zealanders that RADLER was used to some extent somewhere outside of New Zealand. To the extent that it means anything, the vast majority of the applicant's evidence only goes towards suggesting the latter, and that is not sufficient.

72.6 The applicant's evidence on this fundamental point therefore consists only of some 40 or so statutory declarations – the SOBA declarations. The declarants were called on by the applicant to assist with the application. As set out in paragraph 87 of the first Browne Declaration, the applicant posted the following request on the Realbeer Thread, a public internet forum:

"We'll have a press release out soon calling for help, but in the meantime, if you're a brewer and are prepared to sign something saying that you knew what a Radler was prior to 2003, please email info@soba.org.nz. If you're NOT a brewer, and are prepared to sign same, that's extremely useful too, as it's representative of the NZ public. Send an email to the same address."

72.7 The majority of the declarants identify themselves as:

- (a) being a part of the trade (e.g. brewers or bottle store employees/owners; and/or
- (b) having a particular interest in and knowledge of beer and beer styles out of personal interest.

72.8 Those who do not fall into the above categories all claim to have become aware of RADLER as a generic term while travelling in parts of Europe (where the applicant contends that RADLER is used generically).

72.9 Also, 9 of the declarants do not claim that they “became aware of radler (as a style of beer)” prior to the application date. Instead, they refer to their “awareness” beginning “in 2003” or “when the Monteith’s product was launched”, meaning none of these vague statements can safely be read as applying prior to the application date. These declarants must be excluded from the assessment of any of the grounds under the Invalidity application.

72.10 For the avoidance of doubt, none of the statements regarding the knowledge, awareness, recognition or belief of any of the declarants’ friends, colleagues or any other people, are admissible as evidence in these proceedings. As well as being statements put into the mouths of the declarants by the applicant’s lawyers, it is obvious that these comments amount to hearsay, and are inadmissible under section 17 of the Evidence Act 2006.

72.11 The owner submits that the evidence relied on by the applicant is:

- (a) suspect, because they result from a request that they be “prepared to say” certain things, as opposed to providing their own independent evidence;
- (b) led, in the sense that the applicant’s attorneys have provided the wording;
- (c) biased (at least in some cases);
- (d) not probative due to its pro-forma nature;
- (e) not representative of the relevant New Zealand public; and
- (f) insufficient in quantity.

73. Based on the matters set out in paragraphs 72.1 to 72.11 inclusive, I consider the SOBA declarations are generally unsatisfactory and that they do not, either individually or collectively, support the applicant’s contention that RADLER was regarded as a generic term by New Zealand consumers.

74. The only evidence of the applicant that deals with the submission that RADLER was a generic term in New Zealand as at the relevant date (2 September 2003) and therefore was not registrable under the specific s. 18 provisions are the SOBA declarations.

75. In respect of this evidence, the applicant has submitted that these witnesses attest to a personal knowledge of radler as a descriptive term for the goods prior to September 2003 and that this knowledge comes from:

- o 75.1 encountering radlers on their travels to the UK, Germany, Austria, Switzerland, Holland and North America;
- o 75.2 an awareness of radler from being migrants from any of the above mentioned countries;
- o 75.3 reading books and articles, including articles on the internet about beer and related beverages;
- o 75.4 collecting beer cans; and
- o 75.5 talking to people both local and from overseas who knew the radler style.

76. The applicant further submitted that having regard to the evidence of the applicant’s many witnesses, it is entirely reasonable to conclude that of the hundreds of thousands of New Zealand residents in September 2003 who had immigrated from the UK or Europe, or who had travelled to those countries, a reasonable percentage would, like the applicant’s witnesses, have encountered Radlers and would, at the relevant date, have understood the word radler to be a

descriptive term for a beer based beverage.

77. Having regard to the contents of paragraphs 75 and 76, it is my opinion that the evidence does not support the applicant's submissions which strike me rather as unsupported assumptions.
78. The applicant also adduced evidence from marketing experts which I have carefully considered. However, in my experience, the issue of distinctiveness involves, inter alia, determining the perception of users in the relevant market. There is no evidence before me that does this and in the absence thereof, evidence from marketing experts is insufficient to assist the applicant in achieving its onus of proof.
79. The applicant sought to gain some assistance from the owners' packaging which, in the applicant's view, suggested that the language used in the label copy by the owner showed use of the word radler in a descriptive sense. The applicant submitted that this showed the owner's true belief that the word radler was in fact not a trade mark but a description of a style of beer.
80. The marketing experts commented that, inter alia, amendments made by the owner to its packaging and its web site, which consisted of the introduction of the symbol ® in conjunction with the use of RADLER, constituted evidence that the owner recognised the issue raised by the applicant and took these steps in an attempt to ameliorate the problem. I note that there is no legal requirement to use this symbol in relation to a registered trade mark; however, again in my experience, its use by trade mark owners tends to be to remind competitors that the relevant mark is registered and that the owner will take steps to prevent any infringement.
81. I should also note at this point that during the hearing and indeed, in the evidence, there was a fairly constant change in the language used between 'radler', 'radler-style', 'Radler beer/bier' etc. Whilst this was not raised by or with the parties, particularly with the applicant, it was apparent that the expressions were used interchangeably depending on the grammatical context.
82. The applicant was trying to argue that RADLER was not a trade mark but was in fact non-distinctive of the product on which it was used and descriptive or generic of a style or type of drink. In this context it would have been difficult to avoid using RADLER as a trade mark and thus contrary to the point being argued and so it appeared to have been used descriptively. The parties seemed to have no difficulty with such a synonymous use of the alternative expressions and neither did I. Such use did not influence my view as my years of working with marketing professionals allowed me to appropriately deal with this.
83. This apparent conflict in terminology has not influenced me to ignore or improperly assess the evidentiary value of some of the evidence filed by the applicant, more particularly examples of the owner's labelling and packaging of its Monteith's Radler products. The applicant had the onus of proving its case on the balance of probabilities but has failed to do so. Thus it has not been necessary for me to traverse in detail in this decision much of the evidence filed by the applicant given that it failed to discharge the evidentiary onus upon it.
84. After careful consideration of the evidence, I am of the opinion that the applicant has not established that RADLER had any meaning whatsoever to consumers at the application date and, as such, has not satisfied its onus of proof. The evidence put forward in support of this assertion is not sufficient to establish that RADLER was a generic term in New Zealand at the application date.

Summary of applicant's submissions on section 18 of the Act

85. Particularly in respect of section 18 of the Act, the applicant's submissions may be summarised as follows:

85.1 *A sign that is not a trade mark – s. 18(1)(a)* – Radler was a generic term for a style of beer recognised at the relevant date by a significant number of New Zealanders and as such unregistrable under s. 18(1)(a).

85.2 *A trade mark that has no distinctive character – s. 18(1)(b)* – The word radler was before 2 September 2003 a known descriptive term for a beer beverage in New Zealand and as such it had no distinctive character in relation to any beer product and was unregistrable under s. 18(1)(b).

85.3 *A trade mark ... that consists only of signs or indications that may serve, in trade, to designate the kind ... or other characteristics of goods... - s. 18(1)(c)* – As a known descriptive term for a shandy-like beverage, the alleged RADLER trade mark was, at the relevant date, a sign that in trade may serve to designate the kind of product being sold, or some other characteristic about it, such as flavour, alcohol content etc. As such, radler is a word that was unregistrable as a trade mark pursuant to s. 18(1)(c).

85.4 *A trade mark that consists only of signs or indications that have become customary in the current language or in the bona fide and established practices of trade – s. 18(1)(d)* – As a known descriptive term for a style of beer drink, the alleged RADLER trade mark consisted only of a sign that was customary in the current language or in bona fide and established practices in trade.

86. The applicant is relying on the SOBA declarations in support of the submissions set out in paragraphs 85.1 to 85.4 above. I do not consider that these submissions are supported by the SOBA declarations and nor is there any other objective or other evidence available to me that does so.

Finding

87. Having carefully considered the evidence before me as well as the submissions of the parties, I am not satisfied that the applicant has discharged its onus of proof in relation to the following claims:

87.1 Radler was a generic term as at the relevant date (2 September 2003) and therefore was not registrable.

87.2 As a generic term, radler is not a trade mark. It is incapable of distinguishing the beer based beverages of one person/trader from those of another person/trader (s.18(1)(a)).

87.3 As a generic term for the goods, radler has no distinctive character (s. 18(1)(b)).

87.4 As a generic term, the word radler merely “designates the kind” and “intended purpose” of the product and designates “other characteristics of the goods” such as its composition and flavour (s. 18(1)(c)).

87.5 As a generic term, radler is a sign or indication that at the relevant date it had become customary in the current language or in the bona fide and established practices of trade (s. 18(1)(d)).

88. I find the applicant is unsuccessful in its prosecution of these claims.

(ii) The radler word has not acquired a distinctive character since 2 September 2003 and therefore the Trade Mark Owner cannot rely on s. 73(2).

Section 73 of the Act

89. Section 73(2) of the Act states:

(2) Despite subsection (1), the registration of a trade mark that has acquired a distinctive character after its registration must not be declared invalid even though the trade mark was not registrable under section 18(1)(b), (c), or (d) at the deemed date of its registration.

90. In order to be successful in invalidating Trade Mark No. 700726 RADLER under section 73 of the Act the Applicant has the onus of showing, on the balance of probabilities, that RADLER was known as the generic or descriptive term for a beer based beverage in New Zealand as at 2 September 2003.

Finding

91. I have found that the applicant is already unsuccessful on this ground as recorded above. That is, the applicant had the onus of proving its case under section 73(1) of the Act on the balance of probabilities but has failed to do so.
92. I also find that the applicant had the onus on the balance of probabilities of proving that the trade mark has not acquired a distinctive character after its deemed date of registration under section 73(2) but has failed to do so.

(iii) The application to register the RADLER trade mark was made in bad faith.

93. At the hearing, the applicant decided not to proceed with this claim. The applicant therefore does not succeed in relation to this ground.

(iv) Use and registration of radler was likely to deceive at the relevant date.

Disentitled to protection

94. The applicant claims that the owner's trade mark is and was at the deemed date of registration disentitled to protection in any court because it is/was a generic term for a style of beer.
95. Section 17(1)(b) of the Act provides:

17. Absolute grounds for not registering trade mark: general

(1) The Commissioner must not register as a trade mark or part of a trade mark any matter –

(a)

(b) the use of which is contrary to New Zealand law or would otherwise be disentitled to protection in any court;

96. This ground relies entirely on a finding that at the application date, RADLER was understood by the relevant New Zealand public to be a generic term in relation to the owner's goods.
97. There is no evidence before me that shows this to be the case. Indeed, the survey evidence of the owner establishes that RADLER has no relevant meaning to the New Zealand beer market other than in relation to its Monteith's product. I have already found that the applicant has not discharged its onus in relation to its claim that the term RADLER was a generic term in New Zealand as at the relevant date.

Likely to mislead and deceive and contrary to law

98. The applicant claims that registration of the owner's trade mark in relation to the owner's goods is and was at the deemed date of registration likely to mislead and deceive the public (section

17(1)(a)) and therefore be contrary to law (section 17(1)(b)), because the word RADLER refers to a type of shandy, and not the owner's goods comprising beer, ale, porter, stout, lager, non-alcoholic beverages, syrup, essence or other preparation for making beverages.

99. Section 17(1)(a) of the Act provides:

17. Absolute grounds for not registering trade mark: general

(1) The Commissioner must not register as a trade mark or part of a trade mark any matter –

(a) The Commissioner must not register as a trade mark or part of a trade mark any matter the use of which would be likely to deceive or cause confusion.

100. Section 17(1)(b) of the Act provides:

17. Absolute grounds for not registering trade mark: general

(1) The Commissioner must not register as a trade mark or part of a trade mark any matter –

(a)

(b) the use of which is contrary to New Zealand law or would otherwise be disentitled to protection in any court;

101. The applicant has combined the grounds of “likely to deceive or cause confusion” in s. 17(1)(a) with the higher standard of “misleading” under s 17(1)(b) which requires a finding that the mark would infringe sections 9, 10 or 13 of the Fair Trading Act 1986 (see *Guan Sheng Yuan (Group) Co. Ltd v Tien Chu (Hong Kong) Co Ltd* [2008] NZIPOTM 25 (15 September 2008), at paragraph 31).

102. The applicant has also listed “registration” as the act that would result in the public being misled. Any deception or being misled must therefore be shown to be as a result of the registration of the owner's mark, not its use.

103. In its evidence, some of the applicant's declarants have asserted that the owners' use of RADLER is misleading to them as consumers as it would lead them to think it was a low-alcohol product (or, as claimed in paragraph 9 of the Second Griggs Declaration, that it was “a drink one should have to prevent becoming intoxicated” or to “decrease their blood alcohol levels”).

104. As I see it, the applicant must show that RADLER had a local meaning in New Zealand and, further, that the meaning attached to RADLER was one which would cause consumers to be misled.

105. Notwithstanding the product's compliance with strict labelling laws, a finding on this ground still requires evidence that, at the application date, RADLER was a designation used for a low-alcohol beverage. I find that the applicant's evidence does not establish this.

Finding

106. In relation to the applicant's claims under s.17 of the Act, I have found the applicant has failed in its claim:

106.1 that the owner's trade mark is and was at the deemed date of registration disentitled to protection in any court because it is/was a generic term for a style of beer; and

106.2 that registration of the owner's trade mark in relation to the owner's goods is and was at the deemed date of registration likely to mislead and deceive the public (section 17(1)(a)) and therefore be contrary to law (section 17(1)(b)), because the word RADLER refers to a type of shandy, and not the owner's goods comprising beer, ale, porter, stout, lager, non-alcoholic beverages, syrup, essence or other preparation for making beverages.

Application for Revocation of Trade Mark (Other than non-use)

107. In its application for revocation the applicant claims that the trade mark should be revoked pursuant to section 66(1)(c) of the Act - in consequence of acts or inactivity of the owner, the trade mark has become a common name in general public use for a product in respect of which it is registered - and section 66(1)(e) of the Act - likely to deceive or confuse. I will address each of these claims in turn below.

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

108. Section 66(1)(c) of the Act provides:

66. Grounds for revoking registration of a trade mark

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

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

109. Section 66(1)(c) provides that a trade mark may be revoked if it has become generic.

110. Section 66(1)(c) of the Act represents a departure from the corresponding provisions under the Trade Marks Act 1953; it has not yet been fully tested in New Zealand.

111. The term "generic" is discussed in *Trade Marks in Practice*, Paul Sumpter, at 143:

"This is an important change to the law, as it appears that the standard for removal is now much lower. There are two significant aspects: the first is that the provision requires merely that the mark has become "a common name" not "the name". The second is that it is now evidence from the "general public" and not specifically the "trade" which is relevant.

It should be noted, nevertheless, that the genericism must come about as a result of the "acts or inactivity of the owner". There will need to be some evidence therefore of the cause of the mark's plight and that this can be sheeted home to the owner."

112. In *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and anor* [2009] SGCA 9 (2 March 2009) the Singapore Court of Appeal considered the concept of genericism and what constitutes a 'common name' at length (paras 51-81). At [53]-[54] the Court stated:

[53] ... Another leading work, William Cornish & David Llewelyn, *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (Sweet & Maxwell, 6th Ed, 2007) ("Cornish & Llewelyn"), describes a trade mark which has become a common name in the trade as one which "[has come] to be used as a description of the product itself" (at para 18 -74)

[54] In a similar vein, the Plaintiff's lead counsel, Mr Tan Tee Jim SC ("Mr Tan", in Law of Trade

Marks and Passing Off in Singapore (Sweet & Maxwell Asia, 2nd Ed. 2005) (“Tan’s Law of Trade Marks”), describes a trade mark which has become a common name in the trade as one which has “lost the ability to act as a badge of origin” (at para 7.62).

113. The broad concept of “genericide” relates to trade marks which are considered to have become a common name to describe the products or services on which they are used. The principle is that trade marks that are used generically by the public cease to function properly as a trade mark as they are no longer able to distinguish the owner’s goods and services from those of other persons.
114. Although partially based on the provisions of the Singapore Trade Marks Act 1998 the wording of section 66(1)(c) as used in the Act requires that to be revoked a mark must have become a “common name in general public use” and that this must be caused by the acts or inactivity of the owner.
115. Consistent with the other grounds in section 66 of the Act not relating to “non use”, the applicant has the onus of showing that in consequence of acts or inactivity of the owner, the RADLER mark has become a common name in general public use for a product or service in respect of which it is registered.
116. As stated in *Wing Joo Long*, the burden of proof “can be described as a heavy burden” (at 529, paragraph 59). The Judge in that case quoted Warren J in *Rousselon Frères et Cie v Horwood Homewares Limited* [2008] EWHC 881; [2008] RPC 30 at 85, who stated that if it is suggested that a trade mark has become a common name, that “... that must be established by cogent evidence”.
117. It has also been stated in *Kerly’s Law of Trade Marks and Trade Names*, 14th Edition (London: Sweet & Maxwell, 2005) that a “tribunal would expect to see substantial independent evidence relating to the relevant product or service market” (at para 10-103). *Wing Joo Long* accepts this standard and further states that “as far as possible, objective evidence should be adduced” to establish that the test has been satisfied (at 530, paragraph 60).
118. In that case, there was found to be a lack of objective evidence to show that the mark in question has indeed become a common name in the trade. The only evidence before the court was the bare assertions of counsel and a number of other witnesses. This was seen as “hardly sufficient” to discharge the plaintiff’s burden of proof (at 533, paragraph 65).
119. The causation requirement of the test in section 66(1)(c) relate to both positive acts by the owner of a trade mark and failure to take such positive acts in circumstances that would otherwise cause the mark to lose distinctive character.
120. The “acts” component plainly refers to use of the mark by the owner in a manner that undermines its ability to distinguish the products or services of the trade mark owner from those of other undertakings.
121. The inactivity component is less obvious, but must plainly relate to situations where use has been made of the mark by another party in a manner that undermines its distinctive character and the owner has not taken steps to prevent this.
122. Therefore, in the absence of judicial consideration in New Zealand, it seems to me that the applicant must show, with substantial, cogent and objective evidence that, since the trade mark application date but prior to the relevant date both:
 - o 122.1 RADLER had become a common name used by consumers in the New Zealand beer market to denote a particular type, kind or characteristic of beer product; and
 - o 122.2 This change in distinctive character was as a consequence of the owner’s acts or inactivity.
123. I have made a careful assessment of the evidence filed in this proceeding as well as the application for declaration of invalidity. It seems to me that the applicant has not shown that RADLER is a “common name in general public use”.
124. As with the application for declaration of invalidity, the applicant’s direct evidence consists of the SOBA Declarations. As the relevant date for the application for revocation is 2 September 2009, those SOBA Declarations, which did not relate to the period prior to the application, may be applicable.

125. However, those that claimed awareness prior to the application date (2 September 2009) are no longer relevant. A registered trade mark can only be removed under section 66(1)(c) if it has become a “common name in general public use” after registration.
126. The SOBA Declarations are subject to the same comments as I made in relation to the application for declaration of invalidity namely:

126.1 suspect, because they result from a request that they be “prepared to say” certain things, as opposed to providing their own independent evidence;

126.2 led, in the sense that the applicant’s attorneys have provided the wording;

126.3 biased (at least in some cases)

126.4 not probative due to its pro-forma nature;

126.5 not representative of the relevant New Zealand public; and

126.6 insufficient in quantity.

127. In my opinion, the SOBA declarations fail to provide any probative evidence in relation to the section 66(1)(c) assessment. Without objective evidence to demonstrate that the findings from these declarants can be seen to reflect the “general public”, the applicant’s evidence does not meet the “heavy burden” described in *Wing Joo Long* (at 529, paragraph 59).
128. Without direct evidence of the relevant state of mind of consumers occurring as a result of the owner’s acts or inactivity, the applicant is unlikely to be able to reach the threshold. The indirect evidence of general public use would have to be significant. The applicant’s indirect evidence on this point is not significant.
129. In addition to the direct evidence contained in the SOBA Declarations, the applicant’s evidence in relation to these proceedings also includes some evidence of purported sales in New Zealand of products other than those of the owner that make use of the RADLER trade mark. It also includes some written material that is claimed to be indirect evidence of RADLER acting as a generic term in New Zealand.
130. Sometimes, in relation to section 66(1)(c), indirect evidence may not need to show that it actually resulted in or reflected a change in the public state of mind, or that the adverse use of the mark made was itself at least partially caused by acts or inactivity of the owner. However, in every case, some causal link between the two parts of the test must eventually be shown, and any inferences must be reasonable and supported by appropriate evidence (such as the likely readership of written sources).

Finding

131. Having carefully considered the evidence before me, I am of the opinion that the applicant has failed to prove that RADLER was a common name in general public use at the relevant date.
132. The survey evidence of the owner establishes that RADLER has no relevant meaning to the New Zealand beer market other than in relation to its Monteith’s product.
133. Unless it can prove that RADLER is a common name in general public use in New Zealand, the applicant’s application under section 66(1)(c) cannot succeed.
134. As a consequence of the foregoing, the applicant’s application under section 66(1)(c) of the Act fails and is dismissed.

(ii) Likely to Deceive or Confuse

135. Section 66(1)(e) of the Act states that a registered trade mark may be revoked if it is proven that:

66. Grounds for revoking registration of a trade mark

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

(e) that, in consequence of the trade mark's use by the owner or with the owner's consent in relation to the goods in respect of which it is registered, the trade mark is likely to deceive or confuse the public, for instance as to the nature, quality or geographical origin of those goods or services.

136. The applicant claims that in consequence of the use of the trade mark by the owner or with the owner's consent in relation to the goods in respect of which it is registered, the trade mark is likely to deceive or confuse the public, for instance as to the nature, quality or geographical origin of those goods or services.

137. The onus in proceedings under section 66(1)(e) is on the applicant to establish both that:

(a) the trade mark is likely to deceive or confuse the public, for instance as to the nature, quality or geographical origin of those goods or services; and

(b) the likelihood of confusion was in consequence of trade mark's use by the owner or with the owner's consent in relation to the goods or services in respect of which the trade mark is registered.

138. Underlying the likelihood of deception or confusion will always be some awareness of circumstances that give rise to some potential for deception or confusion (e.g. awareness of another mark, or the meaning of a particular word). In equivalent claims of likely deception or confusion where the onus would be reversed (e.g. opposition under section 17(1)(a)), this underlying awareness is dealt with by placing an initial onus on the party bringing the claim to show the basis for, or a source of, deception or confusion (see *Pioneer Hi-Bred Corn* at 56).

139. As the onus in revocation proceedings (other than non-use) rests solely with the applicant, the need to first establish this underlying awareness is not an 'initial onus' but rather an 'initial part' of the applicant's onus. In *Pioneer Hi-Bred Corn*, in relation to confusion between two marks, Richardson J set out the level of awareness necessary to form the foundation of a claim for likely deception or confusion:

"For myself I prefer to use a more neutral term such as 'awareness' or 'cognisance' or 'knowledge' and on that basis to ask: having regard to the awareness of the opponent's mark in the New Zealand market for goods covered by the registration proposed, would the use of the applicant's mark be likely to deceive or cause confusion to persons in that market"

140. The relevant market here is the New Zealand beer market. It is not to be limited to the market for low-alcohol products in which beer is an ingredient, although these goods form part of the relevant market. The applicant must therefore show that there was such awareness in this market at the relevant date and that the extent of that awareness was great enough that sufficient number of consumers in the beer market would be deceived or confused (as per the following test).

141. The test for the likelihood of deception or confusion under section 66(1)(e) is set out in *Geneva Marketing (1998)Ltd v Johnson & Johnson* [2009] NZCA 591 ("*Geneva Marketing*"), at paragraph 19, and requires that:

(a) the trade mark or its use can be expected to create an incorrect belief or mental impression, or perplex the minds of the potential purchasers (citing *New Zealand Breweries Ltd v Heineken's Bier*

Browerij Maatschappij NV [1964] NZLR 115, 141); and

(b) such deception or confusion reflects the likely states of mind of a significant number of purchasers.

142. The proportion of the purchasers likely to be deceived or confused must therefore be considered in relation to the relevant market for the particular goods, being the beer market. (*Geneva Marketing*, at 18).
143. The test is substantially the same as those under sections 17(1)(a) and 89(1)(c), apart from the fact that, in revocation proceedings, the test is applied in relation to the registered mark “by reference to the circumstances as they develop”, which requires that account be given to the owner’s actual use of the mark (as opposed to the ‘fair and notional use’) and whether, as a consequence of that use, the mark is likely to deceive or confuse: *Geneva Marketing* at paragraph 17.
144. Where the applicant seeks to rely on some form of “awareness, cognisance or knowledge” to provide the foundation that makes the owner’s use confusing or deceptive, the applicant must prove that such a state of mind existed to a sufficient extent in the New Zealand beer market that it could provide such a foundation for a significant proportion of the wider beer market.
145. The applicant has not shown through evidence a sufficient awareness of circumstances (e.g. that RADLER is associated with low-alcohol products) to form the foundational awareness which could give rise to deception or confusion, let alone that there is sufficient likelihood that this would be likely in a significant number of purchasers.
146. In order to establish likely confusion or deception, the foundation for the confusion or deception must align with the source of that confusion or deception. For example, if the source of the confusion or deception is the alcohol volume of the product, then the foundational awareness must be related to the expected alcohol volume, and any difference must of course be likely to deceive or confuse.
147. The applicant must show that the likelihood of confusion or deception relates to something such as the nature, quality or geographical origin of the owner’s goods.
148. In its evidence the applicant’s declarants frequently comment on what they claim is a likelihood that the owner’s use of the RADLER trade mark, including written marketing material and in labelling, will lead consumers to believe that RADLER is a generic name for a style of beer or beer based beverage. The section 66(1)(e) ground relates to deception or confusion in relation to the characteristics of the goods or services for which the mark is registered. It does not relate to deception or confusion as to whether the mark is a trade mark or generic term.
149. The applicant has not claimed in its application or evidence that the word RADLER is thought by anybody to imply any notion as to quality.
150. Similarly the applicant has not claimed in its application or evidence that the word RADLER is thought by anybody to designate the geographical origin of any beer product.

Finding

151. Having considered the evidence and the submissions of the parties, it appears to me that the applicant has failed to establish that the owners’ use of the RADLER trade mark in relation to a full-strength lemon and lime flavoured lager beer from New Zealand would be likely to deceive or confuse the public as to the nature, quality or geographic origin of the goods.

Summary of decision

Application for Declaration of Invalidity

152. I have found that:

152.1 The applicant has established that it is an aggrieved person within the meaning of section 73(1) of the Act:

152.2 The applicant has not succeeded in its claims that:

- Radler was a generic term as at the relevant date (2 September 2003) and therefore was not registrable;
- The radler word has not acquired a distinctive character since 2 September 2003 and therefore the Trade Mark Owner cannot rely on section 73(2);
- Use and registration of radler was likely to deceive at the relevant date.

153. I therefore dismiss the application for declaration of invalidity.

Application for Revocation (other than non-use)

154. I have found that:

154.1 The applicant has established that it is an aggrieved person within the meaning of section 65(1) of the Act;

154.2 The applicant has failed to discharge its onus under either of its pleaded grounds;

154.3 The applicant has not established that there was sufficient use or awareness at the relevant date of any meaning of RADLER that would support either of the grounds in its application for revocation (other than non-use);

154.4 In addition, the applicant has failed to establish that any acts or inactivity on the part of the owner, including the use made of the RADLER mark on its products and in its marketing materials would have caused, at the relevant date:

- the RADLER mark to have become a common name in general public use for any of the goods; or
- a likelihood that a significant number of purchasers would be confused or deceived.

155. I therefore dismiss the application for revocation (other than non-use).

Costs

156. I award costs to the owner in accordance with scale in the sum of **\$4330** calculated as follows:

Item in IPONZ scale of costs	Cost
Preparing and filing counter-statements: x2	600.00
Preparing and filing owner's evidence: considered	800.00
in both proceedings	400.00

Receiving and perusing applicant's evidence: considered in both proceedings	100.00
	200.00
Receiving and perusing applicant's evidence in reply:	1000.00
Preparing and filing owner's further evidence in reply:	1980.00
	750.00
Preparation of cases for hearing: x2	\$4330.00 to Owner
Attendance at hearing by counsel: 2 days @ \$810	
plus 2 hours @ \$180 per hour	
Hearing fee:	
TOTAL:	

Dated this 13th day of July 2011

B. F. Jones
Assistant Commissioner of Trade Marks

Simpson Grierson for the owner
James & Wells for the applicant

THE SCHEDULE REFERRED TO

Unless otherwise defined, the individual statutory declarations are herein referred to as the
[Surname] Declaration

Part A Applicant's Evidence in Support of its applications

- (a) Statutory Declaration of Steve Baker;
- (b) Statutory Declaration of Prudence Crystal Bishop;
- (c) Statutory Declaration of Timothy William Busby;
- (d) Statutory Declaration of Thomas Craig;
- (e) Statutory Declaration of Tony Culmer;
- (f) Statutory Declaration of Remco de Ket;
- (g) Statutory Declaration of John Allan Lindsay Doig;
- (h) Statutory Declaration of Soren Eriksen;
- (i) Statutory Declaration of Tracy Fahle;
- (j) Statutory Declaration of Andrew Cameron Goldie
- (k) Statutory Declaration of Campbell Goodsir;
- (l) Statutory Declaration of Ian Graham;
- (m) Statutory Declaration of Geoffrey Douglas Griggs; (**First Griggs Declaration**);
- (n) Statutory Declaration of Michael Hartly;
- (o) Statutory Declaration of Nathan Henderson;
- (p) Statutory Declaration of Gina Emily Alice Huggins;
- (q) Statutory Declaration of Graeme King;
- (r) Statutory Declaration of Victor Komarovsky;

- (s) Statutory Declaration of David Andrew Leslie;
- (t) Statutory Declaration of David Macaskill (**First Macaskill Declaration**)
- (u) Statutory Declaration of James Peter McAloon;
- (v) Statutory Declaration of John McDonald;
- (w) Statutory Declaration of Brett Russell McMillan;
- (x) Statutory Declaration of Rhys Morgan;
- (y) Statutory Declaration of Steven Christopher Nally;
- (z) Statutory Declaration of Russell Obee;
- (aa) Statutory Declaration of Barry Warren Polley;
- (bb) Statutory Declaration of Sean Rooney;
- (cc) Statutory Declaration of Peter Leslie Rumble;
- (dd) Statutory Declaration of Dr Greg Ryan;
- (ee) Statutory Declaration of Peter John Sayers;
- (ff) Statutory Declaration of Tony van Uden;
- (gg) Statutory Declaration of Leonie Waayer;
- (hh) Statutory Declaration of Timothy Edward Walden;
- (ii) Statutory Declaration of Amanda Jane Watson;
- (jj) Statutory Declaration of Martin Jozef Weren;
- (kk) Statutory Declaration of Roger Wilde;
- (ll) Statutory Declaration of Graham Witts;

Applicant's evidence in Reply

- (a) Statutory Declaration of Philip John Gendall;
- (b) Statutory Declaration of Geoffrey Douglas Griggs (**Second Griggs Declaration**)
- (c) Statutory Declaration of David Macaskill (**Second Macaskill Declaration**);
- (d) Statutory Declaration of Nicholas Kinsley Sampson;
- (e) Statutory Declaration of Brian Francis Steel in Reply.

The applicant filed the following statutory declarations out of time, which were admitted to the proceeding

- (a) Statutory Declaration of Geoffrey Douglas Griggs in Reply (paragraphs 1-5 and exhibit GDG-30 only admitted) (**Third Griggs Declaration**)
- (b) Statutory Declaration of Brian Francis Steel in Reply (**Second Steel Declaration**)

Part B

Owners' evidence in Response

- (a) Statutory Declaration of Russell Browne (**First Browne Declaration**)
- (b) Statutory Declaration of Russell Frederick Browne (**Second Browne Declaration**);
- (c) Statutory Declaration of Phillip Ashworth;
- (d) Statutory Declaration of Douglas John Banks;
- (e) Statutory Declaration of Richard William Brookes;
- (f) Statutory Declaration of John Edward Lawrenson;
- (g) Statutory Declaration of Andrew Grant Parsons;

The owner filed the following statutory declaration out of time, which was admitted to the proceeding

- (a) Further Statutory Declaration of Andrew Grant Parsons (**Second Parsons Declaration**)

[\[1\]](#) Paragraph (a) of the definition of **owner** in section 5(1) of the Act defines the owner of a registered mark as follows:

(a) in relation to a registered trade mark that is not a certification trade mark or a collective trade mark, means the person in whose name the trade mark is registered; and
[\[2\]](#) *Ritz Hotel v Charles of the Ritz* [12 IPR 417](#) at 455:

The material time is the date of the application. Ascertainment of the date of an application is significant under the Act not only as the date as at which it must be determined whether the applicant is a “person aggrieved”, but also as establishing critical dates for the purposes of para (a) (“1 month before the application”) and para (b) (“1 month before the date of the application”) of s 23(1), and for determining whether in legal proceedings relating to a trade mark registered in Pt A of the register (including applications under s 22), s 61 operates in relation to the validity of the original registration.

The date of an application for relief under s 22(1) or s 23(1) is in my view the date of commencement of the proceedings in which the claim for that relief is made: see *Re Keystone Knitting Mills Trade mark* [\[1929\] 1 Ch 92](#); see also the reference to “the commencement of the proceedings” in s 61(1)(c) and to “legal proceedings . . . instituted” in s 60.

[\[3\]](#) *Royal New Zealand Yacht Squadron v Daks Simpson Group p/c* (AP 76/01, High Court, Wellington, 21 September 2001, Ronald Young J) at 8, which dealt with an application for revocation for non-use under the corresponding section of the Trade Marks Act 1953:

It would be wrong for there to be different rules of evidence applying to a s35 application depending on whether the application was dealt with by the Court or by the Assistant Commissioner. The rules of evidence applicable to the High Court must therefore apply to both.