



THE BATTLE OF THE BULGE

Coca Cola challenges Pepsi's Carolina bottle

At AUT the Intellectual Property Law paper on Part II of the law degree is compulsory for all students. The degree was designed to have a strong commercial focus and IP was considered to be an ideal subject for demonstrating the role and impact which the law can have in defining and protecting particular business and commercial interests. Having completed the compulsory introductory paper, students are then able to enrol in a variety of elective papers which cover more advanced specialised topics in areas such as copyright, trade marks and patents.

Readers will no doubt agree that for the most part the law can be a fascinating area for intellectual pursuit as well as for practice but often it can be a challenge to find practical applications of the law which will resonate with students starting out in their studies and act as a catalyst to engage, inspire and stimulate further enquiry. Fortunately, there is no shortage of suitable examples in the area of IP and one of those most resorted to is, not surprisingly, the medicinal concoction developed in 1886 by pharmacist, Dr John Pemberton. Coca Cola has become one of the most recognisable brands on the planet and the product together with its packaging, its promotion and its marketing can be fruitfully mined to illustrate the application of virtually the whole gamut of IP rights from copyright to patents, trade marks to design rights, and passing off to confidentiality. Apart from the mystery of the recipe itself, it is the classic contour bottle which is most associated with the Coca Cola brand image and it was that iconic shape which concerned Wylie J in the Auckland High Court last December when he delivered his judgment in

The Coca Cola Company v Frucor Soft Drinks Limited and Pepsico Inc [2013] NZHC 3282.

The Coca Cola Company (TCCC) was claiming trade mark infringement, against PepsiCo, the owner of the Pepsi and 7UP brands, and Frucor, the bottler and distributor of PepsiCo products in New Zealand. The action arose out of the introduction of PepsiCo's newly designed bottle shape, known as the "Carolina", to the New Zealand market in October 2009. TCCC alleged that the use of the bottle and the silhouette of the bottle's shape constituted an infringement of three of its registered trade marks (TM47221, TM 244906 and TM295168) under s 89(1)(c) of the Trade Marks Act 2002. It argued that there had been use of a sign in the course of trade which was likely to be taken as being use of a trade mark and that use was likely to deceive or confuse.

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The ability to register shapes as trade marks is a comparatively recent development in New Zealand, just as it is in other common law jurisdictions. Following the 1993 Agreement on Trade-Related Aspects of Intellectual Property Rights (the “TRIPS” agreement) the Trade Marks Amendment Act 1994 amended the definition of ‘trade mark’ so that it specifically referred to an inclusive definition of “sign” and, although that did not expressly extend to shape, the Intellectual Property Office of New Zealand (IPONZ) interpreted that as authority for allowing registration of a shape as a three dimensional mark, subject to it satisfying the other requirements for registrability. That position was confirmed by the legislature when “shape” was expressly included in the definition of “sign” in the Trade Marks Act 2002 (the Act).



The first question for Wylie J was to identify the sign or signs which the defendants were using. Under the Act a “sign” includes-

- a. a brand, colour, device, heading, label, letter, name, numeral, shape, signature, smell, sound, taste, ticket, or word; and
- b. any combination of signs

TCCC submitted that the sign being used by the defendants was the shape of the Carolina bottle and its silhouette. The defendants adduced evidence to establish that they were not using the Carolina bottle and its silhouette alone and submitted that their signs were therefore comprised of a combination of the Carolina bottle together with one or more

of its Pepsi, Pepsi Max and 7UP marks. Wylie J held that, in considering whether the shape sign alone infringed TCCC's registered marks, the additional word and logo marks had to be disregarded. He was persuaded by TCCC's argument that to hold otherwise would mean that any trader could adopt another's shape mark for a bottle and “avoid infringement by adding a brand name”.

The next question was whether the Carolina bottle itself was being used by the defendants in such a manner as to render the use of that sign as likely to be taken as use as a trade mark. Section 5(1) of the Act defines a “trade mark” as a sign that is capable of being represented graphically and that is capable of distinguishing the goods or services of one person from those of another. Wylie J was satisfied that the Carolina bottle was being used as a trade mark. The defendants had designed the bottle with the intention that it be distinctive of the defendants' products and that the perception of a substantial number of retailers and consumers would be that the bottle was being used to distinguish the goods of one trader from those of another.

More generally, although the defendants had not sought to register the shape of the Carolina bottle as a trade mark in New Zealand, Wylie J noted that there were at least 90 trade mark registrations for bottles in this country which suggested that the owners of those marks considered that bottle shapes were capable of acting, either with or without any other marks, as indicators of the source of the products for which they were registered.

Having had those questions answered in its favour, TCCC then had to establish that there had been an infringement of one or more of its trade marks under section 89(1)(c). This required a consideration of “the discrete albeit related questions” of whether the defendants' sign was similar to TCCC's registered trade marks and, if so, whether the defendants' use of its sign would be likely to deceive or confuse. Wylie J noted that the relevant comparison was between the normal and

fair use that TCCC made of its registered marks, given the rights granted by the registrations, and the actual use which the defendants had made of their signs. The relevant perspective for determining these matters was that of the average consumer with imperfect recollection.

Turning to the issue of the similarity between TCCC's contour bottle and the defendants' Carolina bottle, Wylie J identified the “distinctive and dominant features” of the two dimensional mark in trade mark 47221 as the pronounced pinch towards the bottom of the bottle, the broad horizontal belt band, the vertical fluting below and above the belt band, the slight bulging above and below the belt band and the concave curved neck of the bottle, leading from the top of the belt band to the mouth of the bottle.

While recognising that there were aspects of the Carolina bottle that were similar to TCCC's registered trade mark, Wylie J considered that there were a number of salient features on the former which served to distinguish it from TCCC's mark including: substantial differences in the waist; an absence of vertical fluting; no broad horizontal belt band; a tapered neck; an absence of bulging; and the use of an embossed horizontal wave pattern on the lower curved waist section. In summing up his findings in this regard, Wylie J said:

“I am satisfied that there is no material similarity between the Carolina bottle and the shape recorded in registered trade mark 47221 (which is reproduced in the contour bottle). The primary feature the bottles have in common – namely, a waist – is not sufficient to justify a finding that there is any overall similarity between the registered mark and the Carolina bottle. The waists are not the same or even substantially similar. On the Carolina bottle it is more gentle and the deepest point is higher. On the contour bottle it is lower and more abrupt. Moreover, a waist is a shape in common usage in many bottles. There is no other relevant similarity between the registered trade mark and the Carolina bottle.”

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Top row (left to right): Drisana Sheely, Amanda Ferris, Miles Beresford, Ilinke Naude, Silvia Philip, Pooja Sundar

Bottom row (left to right): Hannah Cleaver, Graham Nelson, Oliver Sweeney, Charlie Piho, Savannah Petero, Narita Chandra, Geoff Martin, Tammy Dempster

Wylie J reached a similar conclusion in relation to TCCC's claims regarding trade marks 244906 and 295168. Having found that there was no material or sufficient similarity between the Carolina bottle and any of TCCC's registered trade marks, or the contour bottle as the "paradigm example" of the use of those trade marks, it followed that the defendants' combination sign incorporating its "well known" Pepsi, Pepsi Max and 7UP word and device marks on the bottle could not infringe TCCC's registered trade marks.

In concluding that there had been no trade mark infringement, Wylie J also observed that TCCC had failed to provide evidence of any significant confusion on the part of consumers. TCCC's claims for passing off and breaches of the Fair Trading Act 1986 were also rejected. TCCC has appealed the decision.

A point noted by Wylie J was TCCC's failure to take action over its rights in other countries where the Carolina bottle is being used. To date, apart from New Zealand, proceedings have only been commenced in Germany and Australia.

In May 2012 the Hamburg Landgericht held against TCCC and its co-plaintiffs, finding that the Carolina bottle was not "sufficiently similar" to the registered trade mark. TCCC has apparently appealed that decision.

It will be interesting to see what transpires in the Australian proceedings which should be heard soon. In a previous decision of the Full Federal Court, one of TCCC's registered marks was held to have been infringed by a cola flavoured gelatinous sweet which was "shaped somewhat like a contour bottle", albeit "slightly elongated and somewhat distorted" (*Coca-Cola v All-Fect* [1999] FCA 1721).

Another possible indicator to the outcome in Australia may be had from part of Wylie J's reasoning in the High Court here. In its pleadings TCCC argued that a "normal and fair use" of its registered trade marks included the silhouette of its contour bottle as used in numerous advertising promotions. Wylie J disagreed. He considered that TCCC's rights had to derive from what was on the trade

marks register; it had "not registered the silhouette of its contour bottle simpliciter" and, in his opinion, TCCC could not "extend the scope of its trade mark registration by going on to use as a sign the silhouette derived from its registered marks when that sign is not itself registered".

This is likely to be an important aspect of TCCC's argument in the Australian proceedings because at least two of its Australian trade mark registrations (reg nos. 1160893 and 1160894) are in respect of a mark in which the silhouette is the entire mark or is the dominant feature. Those particular registrations do not include the additional features which are included in the New Zealand trade mark registrations. Wylie J did not expand on whether he thought a silhouette mark may have been infringed by the Carolina bottle but he did comment that the silhouette was "less subtle than the registered shapes" and that may not augur well for PepsiCo's chances across the ditch.

Mike French

STAFF NEWS

Vernon Rive (left) has had a busy few months since returning from study leave at the University of Cambridge. Earlier in the year Vernon spoke on *International Climate Change Negotiations: Status and Prospects* at the New Thinking on Sustainability Conference hosted by Victoria University Faculty of Law and then joined the Hon Justice Stephen Kós and senior resource management practitioners on a panel discussing recent environmental case law at the *NZLS Environmental Law Intensive* held in Christchurch and Auckland. In April, in a joint presentation with Dr Brett Mullan, NIWA's Principal Scientist, Vernon examined domestic and international climate change law developments at the annual Higher Courts Judges' Conference in Nelson. In July Vernon will be delivering a paper on "*Climate change displacement in the Pacific: a New Zealand perspective on the international law framework*" at the Australian and New Zealand Society of International

Law 22nd Annual Conference being held in Canberra.

Rod Thomas (right) has also returned from Wolfson College, University of Cambridge, where he spent four months as the inaugural Visiting Fellow of the new Centre for Property Law at the University. Rod was awarded a Visiting Fellowship in the Department of Land Economy, where incidentally Prince William was undertaking an intensive course in land management issues.

During his time at Cambridge, Rod spent much of his time researching land fraud issues under the England and Wales Land Registration Act 2002, and working with Cambridge legal and computer academics on automation and land title fraud issues. He delivered a paper to Wolfson College members and invited academics on the subject of "*A safe automated Torrens system – settling the design specifications*".

Later this month Rod will be presenting a paper (written jointly with Roulshi Low and Lynden Griggs) on "*Electronic Conveyancing in Australia*" as part of the Australasian Property Law Teachers Conference 2014 being held at Bond University.

In May Professor **Julie Cassidy (centre)** presented a paper entitled "*Searching for a Model GAAR – Legislative Responses to Tax Avoidance in Australia, New Zealand and the United Kingdom*" at the first Annual International Conference on Business, Law and Economics organised by the Athens Institute for Education and Research in Greece. Julie is a leading scholar in taxation, company law and indigenous rights and in September she will be presenting a paper at the Australasian Law Teachers Association (ALTA) on the taxation of payments made by mining companies in Australia to the Indigenous owners in return for the exploration and mining rights to their traditional lands.



AWARDS

The law school awards ceremony was held on 20 May.

The event recognised the achievements of our students on the LLB and LLB (Hons) in 2013 and we would like to acknowledge our award sponsors, the Auckland District Law Society, Baldwins, Chapman Tripp, LexisNexis and Thomson Reuters.

Colleen Bain (right) won the award for top student on the LLB/LLB (Hons). Colleen also took out the award for the best

honours dissertation for her dissertation entitled

“Legal implications arising from the delivery of health services via mobile device applications”.

Louise George (left) was our second placed LLB/LLB (Hons) student. Louise clerked at Simpson Grierson over the summer and will be taking up a full time position with the firm in 2015.



COMPETITION WINNERS

Well done to all those who participated in the respective AUT competitions and our congratulations to the winners (see below) who will be going through to the trans-Tasman and national competitions:

- 1 Bell Gully Mooting:**
Dion Morley (Top Mooter) and Abha Pradhan
- 2 Buddle Findlay Negotiation:**
Rebecca Cross and Karl Schwartz
- 3 Russell McVeagh Client Interviewing:**
Joe Bergin and Hayden Smith

- 4 Minter Ellison Rudd Watts Witness Examination:**
Christine James (pictured far right)

And a special thanks to Silvia Philip, who did a splendid job of organising all the competitions on behalf of the AUT Law Students Society.



THANK YOU

The law school is always keen to foster relationships with the profession and we are extremely appreciative for the contribution made by Jennie Hawker, Michaela Barnes and Richard Osborne from Wynyard Wood (pictured left to right). They gave generously of their time and experience to help students involved with the competitions develop their negotiation, interviewing and advocacy skills. Many thanks.





VISITING JUDICIAL FELLOW

We are delighted that Judge Layne Harvey agreed to join AUT law school as a visiting judicial fellow last year. Layne was appointed to the Māori Land Court in 2002 and is currently enrolled in a PhD at AUT. Layne shared some thoughts with the editorial team.

Q Tell us a little about your career in the law

A In 1991 I completed my law degree at the University of Auckland and was admitted the following year. I was employed by Simpson Grierson for five years and then with Walters Williams and Co. Before my appointment to the Māori Land Court I was specialising in Māori land law, Waitangi Tribunal claims, settlement negotiations, consultation with Māori, trusts and governance issues. I completed my masters' dissertation on the Treaty claims settlement process - with considerable assistance from Professor Louise Longdin I might add. Professor Julie Cassidy is the primary

supervisor on my PhD and my thesis will consider the role of Māori land laws in both impeding and assisting hapū rebuild their cultural and economic capital in a post settlement environment.

Q What first stimulated your interest in Māori land and Treaty issues?

A I had a grand-uncle who was also a lawyer and a World War II fighter pilot who died in 2008 aged almost 90. He talked to me of conversations he had with his grandfather (my great-great grandfather who died in 1933 aged 83) who was 15 when the colonial troops rode past in 1865 on their way to plunder our pā. What followed was the confiscation of our tribal estate on a vast scale. So someone I knew spoke to someone who witnessed the confiscation of our resources which led to the inevitable impoverishment and dispossession of our tribes. An acknowledgement of these realities can often inspire students and graduates to support the ongoing struggles of their iwi.

Q How would you describe your time on the bench?

A The Māori Land Court has a unique and varied role. It is a titles Court and a Court of record and is thus an important repository of invaluable data on Māori custom, history and whakapapa dating back to 1865. As well as a myriad of land, estate and trust issues, the Court has jurisdiction to hear cases involving

Māori fisheries and aquaculture and claims under the Protected Objects Act 1975. Judges are directed by statute to apply marae kawa to proceedings. Te reo Māori is regularly used in Court which commences with karakia followed by mihi and will also conclude in that fashion. Hearings are also held on marae and sometimes in remote locations. One of the roles of the judge is to attempt to uncover pathways to settlement so mediation and alternative dispute resolution are commonplace. Judges are also ex officio members of the Waitangi Tribunal and regularly preside over a wide variety of historical and contemporary claims. So every day is different and challenging.

Q What other activities are you involved in?

A Even outside of my work I am involved in iwi and hapū activities. I am the Deputy Chairperson for the Council of Te Whare Wānanga o Awanuiārangi based at Whakatāne which specialises in indigenous education. I am also a trustee of our tribal radio station in Whakatāne and the chairperson of Te Hau Ki Turanga Trust, the entity charged with the care and protection of the historical Te Hau Ki Turangi whareniui based at Te Papa Tongarewa. I consider such involvement a great honour; as I do my invitation to become a Visiting Judicial Fellow at the law school - and the next stage of my PhD is due soon so I suspect I will be spending more time in the office at AUT over the next few months.

CRYPTIC CORNER

In the last issue of AUTlaw we asked you to solve the following cryptic:

Blame Crown for LIM Rules? Maybe - but this measure before the House will deal with different types of unfair terms (8,3,6,4).

A number of you worked out that the reference was to the **Consumer Law Reform Bill**. Our congratulations and the bottle of Champagne go to Jane Fletcher, Senior Solicitor at Price Baker Berridge.



In cryptic corner this issue we remember with affection an eminent New Zealand jurist who could apparently **woo with honour reassured**. And, remembering that the learned judge considered the attitude of the goldfish was unknown, was it the case that it was **only pike Vince disturbed**? Provide the full name of the jurist (3, 6, 4, 9) and the name of the case (6, 1, 6).

Email your solution to mike.french@aut.ac.nz by 4.00 pm on Monday 14 July. All correct entries received by the deadline will go into the draw to win a bottle of champagne.



MARNIE PRASAD - A LIFE IN CRIME

Marnie Prasad joined the law school at the end of 2010 after teaching at the University of Auckland's Commercial Law Department where she was Director of Undergraduate Programmes for a number of years.

She lectures in Criminal Law, Criminal Procedure and Evidence, and Legal Ethics. She has been in practice for over 25 years and has undertaken a variety of criminal defence work including a stint at the Public Defence Service when it began as a pilot in 2004.

Marnie still works as a criminal barrister on a part-time basis and our students are certainly fortunate to have someone with her depth of practical experience to guide them through the labyrinth of the criminal law. Marnie shared some thoughts on practice and teaching with us:

Tell us a little about your criminal law practice

Early in my career, I was involved in various types of litigation including quite a lot of family work, some civil litigation, as well as criminal cases. Later on, my practice changed into one where I was doing entirely criminal work, mainly due to the opportunities that arose.

How does that practical experience enhance your teaching?

It enables me to give students insight into how the criminal law operates in real life. Invariably, when students have questions I can draw on my professional experience, though of course this is combined with the teaching of criminal law principles which can be complex. It is vital that students leave law school with a strong understanding of criminal law theory, but also with an appreciation of how the criminal process actually works and with an introduction to criminal advocacy.

The moot that you run in your Criminal Law paper is very popular with students. Why do you think it works so well?

It is run as closely as possible to a real-life case. Some students act as prosecutors and others as defence counsel. Students get an insight into the process of criminal disclosure, the obtaining of further information by counsel, and the ethical obligations by which criminal law advocates must be guided. Many students seem to really "get into the case" and tell me afterwards that, although it was very testing, they enjoyed their first taste of the thrill of advocacy.

Have you picked up any tips from Alicia Florrick (*The Good Wife*) or Cleaver Greene (*Rake*)?

From the episodes I have seen, Alicia always maintains a cool exterior and thinks carefully about what she says – both great characteristics for a lawyer. And how great it must be to have a brilliant in-house private investigator at the click of your fingers! As for Cleaver Greene, *Rake* is not a show I have watched, but I get the gist from colleagues who watch it. Cleaver sounds pretty reckless and self-destructive, but he certainly has some seriously interesting cases.

CHIEF HIGH COURT JUDGE AT AUT



Law school staff and students recently joined with post-graduate journalism students to hear the Chief Judge of the High Court, the Honourable Justice Helen Winkelmann, speak on the interface between the media and the courts.

In an engaging lecture her Honour spoke eloquently about the vital role the press plays in open justice and acting as the **"eyes and ears of the general public"**, a highly topical subject right now.

INNOVATIVE LEARNING – DIGITAL TECHNOLOGY IN LAW

Lecturers from the Law School and School of Communication Studies are collaborating with the University's centre for learning and teaching (CfLAT) on a project to introduce social, mobile and digital technologies within their teaching framework.

Initiatives being piloted include: course materials in iBook format, use of video capture technology, guest lecturers (including international) appearing by video link and the use of student blogs.



MASTERS OF LAWS KICKS OFF



The law school launched its Masters of Laws in February. The programme is designed to provide “cutting edge” specialist papers which are useful to both practitioners and graduate students wishing to develop areas of expertise. We were delighted to kick off the programme with Royden Hindle (pictured) facilitating the Dispute Resolution paper.

We needed a lecturer with extensive practical experience as well as academic leadership in the field and Royden was the perfect fit.

Royden is a barrister at Bankside Chambers, one of New Zealand’s pre-eminent dispute resolution chambers. He has over 30 years’

experience as a commercial mediator, arbitrator and advocate. Royden has appeared before every New Zealand court including the Privy Council and before various tribunals. His wide-ranging experience includes work in the forestry and fishing industries, and in property, company, taxation, trusts and competition law. He was Counsel Assisting the Gisborne Cervical Screening Inquiry and Chair of the Human Rights Review Tribunal where he presided over significant anti-discrimination cases.

Royden is a graduate of Canterbury and Cambridge Universities, was a partner in Simpson Grierson and has been a Fellow of AMINZ since 2001.

The Dispute Resolution paper has received very positive feedback from the students, many of whom are practitioners. They have certainly enjoyed the benefits of hearing from a variety of leaders in the field, including Hon Rodney Hansen QC, David Kreider, John Walton, John Green, Warren Sowerby, Mark Colthart, Chris Booth, Alan Sorrell and Nigel Dunlop.

Royden has also shared his wealth of advocacy experiences with undergraduate students on the LLB.

Coming up in the second half of the year are the following papers which will be delivered by specialists from the profession and the law school: Construction Contracts (Stephen Price, Minter Ellison Rudd Watts); Public Works (Phillip Merfield, Simpson Grierson); Unit Titles, Cross Leases and Land Ownership Issues (Thomas Gibbons, McCaw Lewis Ltd, and Rod Thomas); The Modern Discretionary Trust (Helen Dervan); Employment Law Issues in Business Restructuring (Pam Nuttall); Goods and Services Taxation (Grant Sidnam); Tax Avoidance: Concepts and Practice (Grant Sidnam). All papers can be taken either as part of the Masters programme or on a certificate of proficiency (COP) basis.

For further details, contact:
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or carine.dimmock@aut.ac.nz

FAREWELL TO MICHELLE



We are sad to say goodbye to Michelle D'Souza (pictured right above with Melanie Lovich, law school liaison librarian) who, after six years as the law school’s administrator, is moving on to new challenges. Throughout her time with us Michelle has ensured that law school staff and students have enjoyed a level of service which was often beyond the four corners of her position description – and one which was invariably given with humour, good grace and a smile.

Thank you, Michelle. We wish you all the best for the future.

STAYING IN TOUCH

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