

# **The New Zealand Trade Marks Act – No Place for Offence<sup>1</sup>**

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<sup>1</sup> This paper was originally published as an editorial in the New Zealand Intellectual Property Journal. It was intended to promote discussion, particularly within New Zealand, as to whether the intellectual property system is an appropriate means for protecting indigenous culture. The relevant provisions of the New Zealand Trade Marks Act 2002 currently represent the most radical approach to the problem of protecting indigenous signs adopted to date within the common law world. The enactment of the legislation was preceded by extensive consultation with members of the Māori community. The result was a legislative solution, largely within the existing bounds of trade mark law, but with some unique aspects.

In the absence of overarching protection for cultural heritage, indigenous people have turned to the intellectual property regime. The issues surrounding intellectual property protection have been discussed and debated at fora such as WIPO and the WTO, as well as at regional and national gatherings. Discussion and debate have often focused on the use of traditional knowledge in bioprospecting. However, many elements of indigenous culture are vulnerable to exploitation including words, symbols and imagery.

There have been a number of high profile situations where the misuse of Māori words, symbols and imagery has caused offence. Some years ago, Lion Breweries used the word mana in a series of advertisements for beer. That promotion led to protests by Māori, and the offending advertisements were withdrawn. More recently, the problem has become international in its scope. In well publicised confrontations, Māori have attacked the Danish toy maker, Lego, for its use of Māori words, including tohunga, in its Bionicle game; and Sony for its use of what appears to be Māori imagery in “The Mark of Kri”, a PlayStation2 game. Of course, not all inappropriate behaviour occurs in a commercial context. At times, performances of a haka by various groups, including the Spice Girls, have caused considerable anger amongst Māori.

The choice of a trade mark is an important decision for any organisation. Naturally, a firm will seek to use words and images in its promotional activities that already carry with them messages appropriate to the product or service. If those attractive attributes are to be found in the words, images and other aspects of indigenous culture, then the wishes of indigenous people will probably not be taken into account.

The concerns of Māori with the trade marks system have now been given statutory expression. After a suitably long gestation period, the legislature finally delivered a Trade Marks Act in 2002, a statute with a number of provisions familiar in other jurisdictions but new to New Zealand. However, in one respect, the statute is unique. Section 3 makes it clear that a purpose of the new Act is to “address Māori concerns

relating to the registration of trade marks that contain a Māori sign, including text and imagery". This purpose is listed alongside objectives more commonly associated with trade marks legislation, including: more clearly defining the scope of rights, simplifying procedures for registering a trade mark, deterring counterfeit activity and ensuring the trade marks regime takes account of international developments.

Under the new legislation, a mark is registrable provided that there are no absolute or relative grounds for refusing to register it. Included in those absolute grounds (set out in section 17) is a prohibition on the registration of marks which would be likely to give offence to a significant section of the community, including Māori. But a provision like this begs the question, why shouldn't all marks be registrable without exception? One answer is that trade marks law, common law and statutory, has two fundamental themes – the protection of the rights of owners and the protection of consumers – which justify certain exceptions. A prohibition on the registration of marks that are misleading or deceptive is therefore desirable as a means of reducing the potential for diversion of trade by unfair means. It is also desirable as a means of consumer protection.

It is more difficult to demonstrate the need for an exception based on cultural grounds; to show that a provision specifically designed to reduce cultural offence can be justified as a reason for not registering a mark. The "offence" provision has replaced the well-known and tried and true tests of "scandalous matter" and "contrary to law or morality" as grounds for refusing to register a mark. Those tests were open to criticism on the basis that there was no real guidance as to their meaning and their application required a subjective judgment. However, the meaning of "offend" is not defined in the new Act. Offence is a value laden concept open to a variety of interpretations and a determination of whether a mark is likely to offend is more open to subjective judgment than the provisions which were replaced. The legislature may have wished to avoid a rigid approach, but the downside is that it has introduced uncertainty. It is true that the Commissioner now has the benefit of advice from a Māori consultative committee, but

can that body speak for all Māori or even a majority of Māori? And who will speak for other, significant sections of the community in terms of offence to their culture? These problems are enough to suggest that complex public policy questions should not be included in a statute governing the registered trade marks system.

In fact, registration is the lesser part of the problem. There is a clear distinction between the use of a word, symbol or image and its registration as a trade mark. Because there is no obligation on an individual or firm to register a word or symbol as a trade mark, the Trade Marks Act does not have a role in policing the use of unregistered marks. Moreover, brands and branding go far beyond the law of trade marks. Not all unacceptable use of indigenous signs can be categorised as trade mark use, such other use is even less likely to be within the bounds of the registered trade marks system. The registration of Māori words as domain names is a prime example. In general, Māori words may be registered as domain names without restriction. And, of course, the use of Māori words and imagery by overseas corporations in overseas countries is completely outside the scope of the Act.

It is not desirable to stifle the public's access to the words and images of other cultures. The registration and use of all marks, without regard to cultural sensitivities, is an approach that would encourage debate and a resolution in the market place. Trade marks are all about use in trade. If a mark, and the way that it is used in the New Zealand market place, is sufficiently offensive to a significant section of the community, then members of that population will react. They may refuse to buy the product or use the service. Or they may go further and protest against that use, perhaps forcing the marketer to rethink its promotional strategy. They will react whether the word or image is a registered trade mark or not. And there are other restraints. When it comes to material that does more than upset cultural sensitivities, the use may be subject to statutes such as section 61(1) of the Human Rights Act 1993. That section provides that it is unlawful to publish, distribute or broadcast written matter or words which are

“threatening, abusive or insulting”. At another level, the self-regulatory system operated by the Advertising Standards Authority provides an effective restraint on offensive matter. If an advertisement is determined to be offensive according to the Advertising Codes of Practice, then it will no longer be carried by the media that are members of the Advertising Standards Authority.

Irrespective of whether or not the new legislation can be justified, there is still an issue as to whether the means of control which has been implemented is actually any better than the ad hoc system which apparently functioned quite well under the previous legislation. The absolute ground of offence is explicit as a reason for refusing to register a mark and the Act does provide for the establishment of an advisory committee to consider all marks that appear to be derived from Māori culture. However, those changes are little more than statutory recognition of procedures that were already in place based on an interpretation of “scandalous” and “contrary to morality” and the Commissioner’s discretion.

The questions that the new legislation raises, but leaves unanswered, sound a warning for further developments in the intellectual property regime. The current review of the patents system seems likely to lead to provisions designed to take account of Māori concerns with the grant of certain patents. The implementation of any such measures in the Patents Act should be approached with caution. The offence provisions in the Trade Marks Act 2002 suggest that an intellectual property statute is an inappropriate means for delivering cultural policy objectives.

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