

**IN THE COURT OF APPEAL OF NEW ZEALAND**

**CA94/05  
[2007] NZCA 61**

BETWEEN

STICHTING LODESTAR  
Appellant

AND

AUSTIN, NICHOLS & CO. INC.  
Respondent

Hearing: 30 November 2006

Court: William Young P, O'Regan and Robertson JJ

Counsel: B P Henry for Appellant  
E C Gray and R C Watts for Respondent

Judgment: 12 March 2007 at 12 noon

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**JUDGMENT OF THE COURT**

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**A The appeal is allowed.**

**B The appellant's applications for registration of trade marks (Nos 617327 and 617328) are granted.**

**C The appellant is awarded costs of \$6,000 plus usual disbursements in this Court.**

**D The costs award in the High Court (both in relation to the appeal in that Court and the hearing before the Assistant Commissioner of Trade Marks) is reversed. The respondent must pay to the appellant costs of \$2,850 in respect of the hearing before the Assistant Commissioner and \$3,000 in respect of the appeal to the High Court.**

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## REASONS OF THE COURT

(Given by O'Regan J)

### Introduction

[1] This appeal is a further round in the dispute between the appellant, which seeks to register the trade mark “WILD GEESE” and the respondent, the registered proprietor of the trade mark “WILD TURKEY”, which opposes registration.

[2] The respondent markets bourbon and products containing bourbon under the Wild Turkey brand in New Zealand. It is the registered proprietor of the trade mark WILD TURKEY in Class 33 for whisky, and the trade mark WILD TURKEY-KENTUCKY LEGION LABEL in Class 33 for wines, spirits and liqueurs.

[3] The appellant does not market any product in New Zealand at present, but we are told that Wild Geese Irish Whisky is marketed in some countries overseas. It seeks to register the trade mark WILD GEESE in Class 32(b) (certain non-alcoholic beverages) and in Class 33 (alcoholic beverages except beers).

[4] The opposition to the registration of the Wild Geese trade marks is based on ss 16 and 17 of the Trade Marks Act 1953 (which applies in this case notwithstanding its repeal by the Trade Marks Act 2002, because of the operation of the transitional provisions in the 2002 Act).

[5] Under s 16, it is not lawful to register as a trade mark “any matter the use of which would be likely to deceive or cause confusion”.

[6] Under s 17(1), no trade mark shall be registered in respect of any goods if it is “identical with or similar to a trade mark belonging to a different proprietor and already on the register” in respect of the same or similar goods if the use of the trade mark for which registration is sought is likely to deceive or cause confusion.

[7] Section 17(2) prohibits the registration of a trade mark in respect of any goods if the trade mark or an essential element is identical or similar to a trade mark which is well known in New Zealand in respect of the same or similar goods.

### **Commissioner's decision**

[8] The issue facing the Assistant Commissioner of Trade Marks when she considered the appellant's application for registration of its marks was whether the appellant had discharged the onus of establishing that there was no likelihood of deception or confusion arising out of the use of its mark. It was accepted that the respondent had already established that it had a mark in use (WILD TURKEY) for which there was a reputation in the relevant market in New Zealand. While s 17(1) and (2) are phrased slightly differently from s 16, the parties were agreed that a decision that the appellant had established no likelihood of deception or confusion for the purposes of s 16 was likely to lead to the failure of opposition based on s 17 as well as that based on s 16.

[9] The Assistant Commissioner found that the appellant had discharged the onus of showing that there was no likelihood of deception or confusion arising out of the use of its mark. She did not accept any of the grounds of opposition and ruled that the Wild Geese trade mark could proceed to registration. She cited the test for comparison of marks set out in *In re Pianotist Co Ltd's Application* (1906) 23 RPC 774 at 777:

You must take the two words. You must judge of them both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.

[10] That test was adopted in New Zealand in *New Zealand Breweries Limited v Heineken's Bier Browerij Maatschappij N.V.* [1964] 1 NZLR 115 at 139 (CA).

[11] She noted that both marks contained the word "Wild" as the first word and then the name of a bird. She noted that it was arguable that conceptually the two

marks were the same, but said they neither looked the same nor sounded the same as each other. Ultimately she rejected the contention that confusion was likely because as a whole the two marks were conceptually similar. She noted that the words “Turkey” and “Geese” were essential to each mark, and that these were distinctive and dominant components of the marks. She found that the fact that both marks used the name of a bird did not lead to a conclusion that consumers would assume an association between them. She said the general overall impression was a degree of similarity, but visually and orally the marks were significantly different and thus not confusing.

[12] In her view a consumer knowing Wild Turkey bourbon would readily recall it and not confuse it with Wild Geese whisky. She also rejected the opposition based on s 17(1) and (2).

### **High Court appeal**

[13] The respondent appealed to the High Court, and the matter came before Gendall J.

[14] The Judge considered the approach to be taken to an appeal under s 66(3) of the Trade Marks Act 1953. He referred to the test enunciated by Turner J in the *Heineken* case at 139, where the Judge said that it was for the Court to determine the question of fact as a matter of impression, having regard to the relevant evidence, and added:

Proper weight must, of course, be given to any opinion which the Commissioner has expressed in the matter in dispute, but his decision cannot absolve the Judge of his own individual responsibility.

[15] The Judge then said that he kept in mind the remarks made by Hammond J in *V B Distributors v Matsushita Electric Industrial Co Limited* (1999) 9 TCLR 349 at [32] (HC):

An appeal on the basis of a statutory provision of this character is not a case for deference. This Court is required to form its own views. How much (if any) weight should be given to the Commissioner’s views may well depend on what is in dispute. If, for instance, what is at issue is a matter of practice

in trade mark applications then the experience of the Commissioner is not lightly to be disregarded. On the other hand, as with all specialist tribunals, there is a real benefit in that tribunal's views being subjected to independent scrutiny. And to the extent that the determination of likelihood of confusion rests upon a comparison of the marks themselves, the appellate court is in as good a position as the trial tribunal to come to a conclusion.

[16] The Judge looked first at the circumstances of trade in the goods concerned, both wholesale and retail. He noted the outlets through which liquor is normally marketed, and noted the possibility of telephone sales at the retail level. He noted that, in bars, purchases would often be made in haste and possibly while under the influence of the product. He noted that the nature and makeup of the purchasing public would vary with differing standards of care or discernment at the time of purchase. He then looked at the nature of the goods. He noted that both marks relate to similar alcoholic beverages (Wild Turkey is an American bourbon whereas Wild Geese is an Irish whiskey).

[17] He then looked at the sound and appearance of the two marks. He accepted that the words "Turkey" and "Geese" were not visually the same nor did they sound the same. However he said the whole mark must be considered, including the emphasis on the first word "Wild" associated with a largish bird. He said that both marks had as their concept the idea of a wild large bird that is the subject of a hunt.

[18] The Judge's conclusions were:

- (a) The idea or concept of the mark is critical. Marks are remembered by general impression or with reference to significant details in their appearance or sound rather than by any photographic recollection of the whole;
- (b) The leading characteristic of each mark is the first word "Wild" juxtaposed with a word describing a large game bird that is subject of a hunt;
- (c) This was not a case of the appellant having a monopoly over the word "Wild", but rather a case where goods are similar (alcoholic beverages), and the contextual or idea similarity through the

combination of words conveying the idea of a wild hunted game bird, is likely to lead to confusion.

[19] The Judge therefore allowed the appeal and disallowed the registration of the Wild Geese trade mark.

### **Standard of appellate review**

[20] For the appellant, Mr Henry argued that the High Court was bound to give considerable weight to the views of the expert tribunal, the Assistant Commissioner. He relied on the *Heineken* decision for that proposition. He argued that Gendall J had failed to do that in this case.

[21] Gendall J referred to the dictum of Hammond J in the *V B* case, to which we have referred at [15] above. If the import of that dictum is that the High Court on appeal from a decision of the Commissioner should not give any weight to the Commissioner's views, we disagree.

[22] In *Federated Farmers of New Zealand Inc v Federated Farmers of New Zealand (Northland Province) Inc* CA162/05 19 September 2006, this Court considered the approach to an appeal from the Registrar of Incorporated Societies in a case where the Registrar had directed a change of name on the basis that a name was "undesirable". In that context, the Court said at [31] that the appeal from the Registrar to the High Court under s 34B of the Incorporated Societies Act 1908 was a general, unrestricted right of appeal by way of rehearing, and was not confined to deciding whether the Registrar's decision could be challenged in judicial review proceedings. However, the Court noted that the opinion of the Registrar must still be properly accorded weight, referring to the earlier decision of this Court in *Vicom New Zealand Ltd v Vicomm Systems Ltd* [1987] 2 NZLR 600 at 604. *Vicom* was an appeal under s 9B of the Companies Act 1955, which also provided for a right of appeal by way of rehearing.

[23] In the present case, the appeal to the High Court was filed under s 66 of the Trade Marks Act 1953. Under s 66(3), the High Court had and could exercise "the

same discretionary powers as are conferred upon the Commissioner”. Although this is not expressed in precisely the same terms as s 34A of the Incorporated Societies Act or s 9B of the Companies Act 1955, it provides for a similar right of appeal by way of rehearing.

[24] However in light of the *Federated Farmers* and *Vicom* decisions in the context of appeals from the Registrar of Incorporated Societies and Registrar of Companies, and the *Heineken* decision in the context of appeals from the Commissioner, we consider that the High Court on appeal from the Commissioner of Trade Marks is required to give some weight to the decision of the Commissioner in an area within the Commissioner’s expertise. We do not consider that that approach is limited only to issues involving matters of practice, as suggested in the *VB* case.

[25] In the present case Gendall J cited the *Heineken* decision, and, when referring to the remarks of Hammond J in *VB*, simply noted that he kept those remarks in mind. However, there is no indication that he gave any weight to the views of the Commissioner. He noted at [32] that he had differed from the conclusion of the Commissioner, but did not refer to having given any weight or even consideration to the Commissioner’s views.

### **The essential difference between the Assistant Commissioner’s view and that of the High Court Judge**

[26] Both the Assistant Commissioner and the Judge found that the words “Turkey” and “Geese” were not similar. However, the Judge saw the idea or concept of the mark as being critical. He was persuaded by the argument that the “contextual or idea similarity through the combination of words, conveying the idea of a wild hunted game bird, is likely to lead to confusion”.

[27] That conclusion contrasts starkly with the conclusion of the Assistant Commissioner. She found (at 12):

The general impression is a degree of similarity, but visually and orally the marks are significantly different so that I do not think the similarity is confusing. I do not believe that a consumer of WILD TURKEY bourbon

would be confused either as to product or source upon seeing the mark WILD GEESE on a similar product.

## **Our approach**

[28] Our starting point is the observation of Hoffmann LJ in *Re Grayan Building Services Ltd* [1995] Ch 241 at 254:

[T]he standards applied by the law in different contexts vary a great deal in precision and generally speaking, the vaguer the standard and the greater number of factors which the court has to weigh up in deciding whether or not the standards have been met, the more reluctant an appellate court will be to interfere with the trial judge's decision.

[29] We endorse that view. In the present context, the determination of whether a proposed trade mark entails the possibility of confusion is a vague standard that can be influenced by any number of factors. Similarity is a matter of degree (*The European Ltd v The Economist Newspaper Ltd* [1998] FSR 283 at 288) and the decision as to whether two marks are similar is one that is influenced by many possible considerations. In the present case, the Commissioner relied on the visual and aural differences between the two marks. On the other hand, Gendall J relied upon the fact that the two marks both evoked wild game birds and as such were confusing.

[30] In our view, this was a case where deference by the High Court to the expertise of the Assistant Commissioner was called for. We say that because the conclusion reached by the Assistant Commissioner, in relation to an issue calling for an evaluative assessment on her part, appears to us to be a conclusion which cannot be fairly characterised as wrong. She adopted an orthodox approach to the task and directed herself appropriately as to the legal test she had to apply. Having done so, she reached a conclusion which involved a value judgment on the likelihood of confusion or deception, which appears to us to be soundly based. That being the case, the High Court Judge ought not to have embarked on a reconsideration of the issue without considering, and giving weight to, the Assistant Commissioner's conclusion. He was, of course, entitled to reach a conclusion contrary to that



reached by the Assistant Commissioner, but not to do so without giving weight to her views. If he had done that, we believe that he would have upheld the Assistant Commissioner's decision. We are satisfied that that should have been the outcome of the High Court appeal.

[31] That conclusion leads to a result which, in our view, is the correct one. We agree with the Assistant Commissioner that the concept of the word "Wild" with a large game bird is not the controlling consideration in this case. We give much greater weight to the stark difference between the words "Turkey" and "Geese", both in spelling and phonetically. The latter is plural, which also differentiates it from the former. The use of these words with the word "Wild" does not detract from those differences. The "concept" is not a strong one – and the class of "hunted birds" is both broad and ill-defined. The ideas associated with the two marks are quite different. "Wild Turkey" is evocative of the region of the United States from which bourbon originated whereas "Wild Geese" has distinct Irish connotations and thus is appropriately linked with a brand of Irish whiskey. Our assessment is that the two marks are unlikely to be confused for one another if used for liquor products sold in New Zealand in both bottled form in liquor outlets or as single drinks in bars.

## **Result**

[32] We allow the appeal, and award costs to the appellant. We also reverse the cost orders made in the High Court.

Solicitors:

Dennis J Gates, Whangaparaoa for Appellant  
Simpson Grierson, Auckland for Respondent