

IN THE SUPREME COURT OF NEW ZEALAND

SC 105/2014
[2015] NZSC 16

BETWEEN ZOGGS INTERNATIONAL LIMITED
Applicant

AND SEXWAX INCORPORATED
Respondent

Court: McGrath, Glazebrook and Arnold JJ

Counsel: J O Upton QC, R M Wallis and T A Huthwaite for Applicant
N J Robb for Respondent

Judgment: 2 March 2015

JUDGMENT OF THE COURT

- A The application for leave to appeal is dismissed.**
- B The applicant must pay the respondent costs of \$2,500, plus reasonable disbursements.**
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REASONS

[1] The applicant, Zoggs International Ltd, has for some years sold swimming goggles and other swimwear under the brand name “Zoggs” in Australia, New Zealand and the United Kingdom. On 9 December 2009 it applied to register “ZOGGS” as a trade mark in relation to “clothing, footwear, headgear, swimwear, swim caps, warm-up suits, t-shirts, jackets, beachwear, leisure wear, ski wear, sports clothing and wet suits”. The application was opposed by the respondent, Sexwax Incorporated.

[2] Sexwax, which was originally named Zog Industries, is owned by Mr Frederick Herzog III of California, who is commonly known as Mr Zog. Among other things, Mr Herzog is involved in the manufacture of surfboards and other surfing equipment, including board wax. Despite the company’s name change,

Mr Herzog continued to use the name “Zog” in connection with his business. In particular, he markets wax for surfing and other uses under the name “MR ZOGS SEX WAX” (which is not registered as a trade mark in New Zealand).

[3] Zoggs’ application for registration was declined by an Assistant Commissioner of Trade Marks on various grounds, the only relevant one being that the registration of “ZOGGS” would be likely to deceive or cause confusion,¹ given the reputation associated with the “MR ZOGS SEX WAX” mark.² This decision was over-turned by the High Court on appeal³ but was reinstated on a further appeal to the Court of Appeal.⁴ Zoggs now seeks leave to appeal to this Court.

[4] Zoggs submits that the Court of Appeal erred in:

- (a) confusing the test for reputation by considering the respondent’s reputation among consumers of its own goods rather than consumers of the goods covered by the proposed registration;
- (b) discarding the “well-established and commonly applied marketplace test” from *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd*;⁵
- (c) considering the fair and notional use of both parties’ marks rather than evidence of the opponent’s actual use and reputation; and
- (d) extracting the words “MR ZOGS” from the “MR ZOGS SEX WAX” mark rather than considering the mark as a whole.

[5] We are not satisfied that it necessary in the interests of justice that we hear and determine this appeal:

- (a) As to the first ground, we do not consider that the Court of Appeal did confuse the test for reputation. It said, correctly, that “the risk of

¹ Trade Marks Act 2002, s 17(1)(a).

² *Zoggs International Ltd v Sexwax Inc* [2012] NZIPOTM 31 at [21]–[46].

³ *Zoggs International Ltd v Sexwax Inc* [2013] NZHC 1494.

⁴ *Sexwax Inc v Zoggs International Ltd* [2014] NZCA 311 [*Sexwax* (CA)].

⁵ *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 (CA).

confusion is properly measured by reference to those who may be exposed to the applicant's goods and are aware of the opponent's mark".⁶

- (b) As to the second ground, we do not agree that that the Court of Appeal "discarded" the use of the market concept. Its focus was, rightly, on the language of s 17(1)(a) and the need for a fact-specific inquiry. The Court accepted that use of the concept of the relevant market could be helpful in the s 17(1)(a) assessment, albeit that it was not always necessary. We see no error of principle in this.
- (c) As to the third ground, we consider that it is clear from the judgment that the Court of Appeal did consider the respondent's actual use and reputation. Detail is given of sales figures, the number of outlets that sell the respondent's goods and kinds of goods sold.⁷
- (d) As to the final ground, the Court of Appeal considered the prominence of "MR ZOGS" within the Sexwax mark as a whole and found that it was "a central and essential component" of it.⁸ It considered the risk of confusion against that background. We do not consider that the Court's focus on what was a prominent feature of the Sexwax mark raises an arguable point of principle.

[6] In the result, we do not see this application as raising any issue of general or public importance. Moreover, we do not see it as involving the risk of a substantial miscarriage of justice.

[7] Accordingly, we dismiss the application for leave to appeal. The applicant must pay the respondent costs of \$2,500, plus reasonable disbursements.

Solicitors:
Baldwins Law Limited, Wellington for Applicant
A J Park Law, Wellington for Respondent

⁶ *Sexwax* (CA), above n 4, at [54].

⁷ At [73]–[74].

⁸ At [36].