

IN THE INTELLECTUAL PROPERTY OFFICE OF NEW ZEALAND

[2013] NZIPOTM 47

IN THE MATTER of the Trade Marks Act 2002

AND

IN THE MATTER of trade mark application no. 819644
KOHA in class 9 in the name of
PROGRESSIVE TECHNOLOGY
FEDERAL SYSTEMS, INC. DBA
LIBLIME

Applicant

AND

IN THE MATTER of an opposition by **TE**
HOROWHENUA TRUST

AND

IN THE MATTER of an opposition by **CATALYST IT**
LIMITED

Opponents

Hearing: 31 October 2013

Decision on the papers for the applicant
K Hamill for Te Horowhenua Trust
V Powell for Catalyst IT Limited

Introduction

1. This is the decision for the following proceedings which have been heard together with the agreement of the parties:
 - 1.1 opposition proceedings (**opposition 1**) by Te Horowhenua Trust (**the Trust**) (which is more commonly known as the “*Horowhenua Library Trust*” (**HLT**)) to trade mark application no. 819644 KOHA (**opposed mark**)¹:
 - 1.2 opposition proceedings (**opposition 2**) by Catalyst IT Limited (**Catalyst**) to the same trade mark application. Opposition 2 is in support of the Trust’s opposition.
2. The applicant is Progressive Technology Federal Systems, Inc. DBA Liblime (**applicant**).
3. The trade mark application, which was filed on 15 February 2010² (**relevant date**), covers the following goods (**opposed goods**):

Class 9:
computer software, namely, an integrated library system for use in searching a collection of records, circulating materials, purchase of new materials and creation of metadata records for materials held
4. The Trade Marks Act 2002 (**Act**), and the regulations made under that Act (**Regulations**), apply to these proceedings.

¹ Details of this trade mark application are set out in the attached Schedule.

² This is the relevant date for determining the parties’ rights – *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 at 61.

Grounds

5. The Trust and Catalyst pursue the following grounds of opposition:

Ground no.	Act reference	Trust	Catalyst
1	Section 17(1)(a)	✓	✓
2	Section 17(1)(b): passing off	✓	✓
3	Section 17(1)(b): breach of the Fair Trading Act 1986. ³	✓	✓
4	Section 25(1)(c)	✓	✓
5	Section 32	✓	✓
6	Section 17(2)	✓	✓

6. In each counter-statement, the applicant denies every ground of opposition.

Evidence

Opposition 1

Trust's evidence in support of the opposition

7. The Trust's evidence in support of the opposition under regulation 82 of the Regulations consists of the evidence of:

Name	Occupation	Date of evidence	Exhibits	Reference
Irma Maria Birchall	Director of Calyx Group Pty Limited. Founder and chief executive officer of <i>CALYX information essentials</i> , an implementer of the Trust's KOHA open source library	18 May 2012	None	Birchall

³ In its notice of opposition, the Trust mentions section 9 of the Fair Trading Act 1986 for this ground. In its notice of opposition, Catalyst mentions sections 9, 13, and 16 of that Act for this ground.

Name	Occupation	Date of evidence	Exhibits	Reference
	management system in Australia since 2003.			
Rosalie Helen Blake	Retired Librarian. Formerly Borough Librarian for Levin, District Librarian for Horowhenua DC, and Head of Libraries for the Trust at the Levin Public Library where she worked 1981-2009.	12 June 2012	None	Blake
Penelope Elizabeth Carnaby	Professor Digital Knowledge Systems and University Librarian, Lincoln University, Christchurch since 2011. National Librarian and CEO, National Library of NZ 2003-2011. University Librarian and Deputy University Librarian, Macquarie University in Sydney, Australia 2000-2003.	2 May 2012	None	Carnaby
Chris Cormack	Senior software developer at Catalyst.	31 May 2012	None	Cormack 1
Rachel Louise Hamilton-Williams	General manager of Katipo Communications Limited (Katipo) for 16 years.	27 June 2012	None	Hamilton-Williams
Barbara Jane Hill	Libraries Manager for Wellington City Libraries since 1994. President of The New Zealand Library Association Inc (LIANZA) since 2010. LIANZA is the professional organisation for the New Zealand library and information management profession. ⁴	15 May 2012	None	Hill
Paul Poulain	Software developer employed by BibLibre, France.	1 June 2012	None	Poulain
Joann Mary Evelyn	Head of Libraries for the Trust since 2009.	20 June 2012	5	Ransom 1

⁴ Hill at [1].

Name	Occupation	Date of evidence	Exhibits	Reference
Ransom	Employed by the Trust since 1986. Technical Services Librarian during the development of the Koha library management software.			
Dianna Margaret Roberts	Librarian at Opus International Consultants Limited since 1981.	1 May 2012	None	Roberts

Applicant's evidence in support of its trade mark application

8. The applicant's evidence in support of its trade mark application under regulation 84 of the Regulations consists of the evidence of:

Name	Occupation	Date of evidence	Exhibits	Reference
Amy Begg De Groff	Independent library consultant whose clients include Progressive Technology Federal Systems, Inc. (PTFS). Has worked in the library profession for nearly 20 years, including as a librarian for the Smithsonian Institution Libraries; Watson Wyatt Worldwide, and Howard County Library.	22 October 2012	None	De Groff 1
Patrick Jones	Librarian since the late 1980s, and has worked in the library automation industry since 1994.	22 October 2012	None	Jones 1
John Rose	Engaged in the Library Software Industry for over 20 years as a developer, designer, the sales and marketing of, implementation of, and supporter of, Integrated Library Systems. Employee of both LibLime and PTFS 2007-2010.	22 October 2012	None	Rose 1
John Stromquist	President of ProConsort, Inc. since 2000. Active in the support of integrated	23 October 2012	None	Stromquist 1

Name	Occupation	Date of evidence	Exhibits	Reference
	library systems and network based information services to libraries since 1983.			
Sara Jane Wagner	Has worked in libraries since 1988, and as a library catalogue system administrator since 1992, with previous experience as a database administrator and programmer.	22 October 2012	None	Wagner 1
John R Yokley	President and CEO of the applicant.	22 October 2012	None	Yokley

Trust's evidence in reply

9. The Trust's evidence in reply under regulation 85 of the Regulations consists of the evidence of:

Name	Occupation	Date of evidence	Exhibits	Reference
Joann Mary Evelyn Ransom	Same deponent as for Ransom 1.	20 December 2012	None	Ransom 2

Opposition 2

Catalyst's evidence in support of the opposition

10. Catalyst's evidence in support of the opposition under regulation 82 of the Regulations consists of the evidence of:

Name	Occupation	Date of evidence	Exhibits	Reference
Don Christie	A director and an owner of Catalyst, which designs, builds, and hosts IT systems in New Zealand.	24 July 2012	10	Christie
Christopher Cormack	Same deponent as for Cormack 1.	24 July 2012	6	Cormack 2

Name	Occupation	Date of evidence	Exhibits	Reference
Joann Ransom	Same deponent as for Ransom 1 and Ransom 2.	25 July 2012	11	Ransom 3
Alli Smith	Executive Director for LIANZA since April 2007.	23 July 2012	None	Smith

Applicant's evidence in support of its trade mark application

11. The applicant's evidence in support of its trade mark application under regulation 84 of the Regulations consists of the evidence of:

Name	Occupation	Date of evidence	Exhibits	Reference
Amy Begg De Groff	Same deponent as for De Groff 1.	8 March 2012	None	De Groff 2
Patrick Jones	Same deponent as for Jones 1.	8 November 2012	None	Jones 2
John Rose	Same deponent as for Rose 1.	22 October 2012	None	Rose 2
John Stromquist	Same deponent as for Stromquist 1.	23 October 2012	None	Stromquist 2
Sara Jane Wagner	Same deponent as for Wagner 1.	8 November 2012	None	Wagner 2

Catalyst's evidence in reply

12. Catalyst's evidence in reply under regulation 85 of the Regulations consists of the evidence of:

Name	Occupation	Date of evidence	Exhibits	Reference
Christopher Cormack	Same deponent as for Cormack 1 and Cormack 2.	12 December 2012	2	Cormack 3
Russel Garlick	A project manager and business analyst at Catalyst since February 2008. General Manager of Liblime Limited (Liblime NZ) April 2007-February	12 December 2012	1	Garlick

Name	Occupation	Date of evidence	Exhibits	Reference
	2008. Operations Manager for Katipo July 2001-April 2007.			

Consideration of the issues

Background

13. In 1999 the Trust commissioned Katipo to develop software for a new library management system (**LMS**) for use in Horowhenua public libraries. The Trust decided to make its LMS software free and open source under the GNU General Public License⁵ (**GPL**). Joann Ransom deposes that:
6. *KOHA* software (“*KOHA*”) is “open source” software. This means that *KOHA* can be downloaded and used for free subject to the project’s open source licence. Users can also make improvements to the software by contributing code. The Trust was first to use *KOHA* but it has been open source software since 2000. Attached as **Exhibit JR-006** is an extract from the Trust’s online “Coding Guidelines”. As stated in the guidelines under the heading “Licence”, users who download *KOHA* receive a copy of the Trust’s licence. The licence used by the Trust is the GNU General Public License. Attached as **Exhibit JR-007** is a copy of the GNU General Public License available at <http://www.gnu.org>.
14. In late 1999, the Trust named its LMS software “*Koha*”⁶. In January 2000, the first version of the Trust’s *Koha* LMS software was released, without charge, under the GPL.
15. As well as being used in some New Zealand libraries, the *Koha* software has been translated into at least 30 languages, and is used in many libraries world-wide, particularly in developing countries in South America, Africa, and India. In all of those countries, the Trust’s LMS software is known as *Koha*.⁷ Since 1999, *Koha* has been used continuously as the name of the Trust’s LMS software.⁸ There is also a *Koha* community,

⁵ Ransom 3 at [6] and exhibits JR-006 and JR-007.

⁶ *The Reed Dictionary of Modern Māori* at 112 defines **koha** as “donation, gift, parting message, scar”.

⁷ Blake at [4].

⁸ Hill at [3].

comprised of many companies and individuals that contribute to the *Koha* software as an ongoing project.⁹

16. Although *Koha* is free and open source LMS software, third parties such as Catalyst provide support services in respect of it on a commercial basis.¹⁰ Joann Ransom¹¹ deposes that:

7. I am aware that in New Zealand at least Katipo, KohaAloha Limited and Catalyst I T Limited (“Catalyst”) have each used *KOHA* pursuant to the Trust’s open source licence. While *KOHA* is free to download and use, these companies provide commercial support to maintain the software and provide services around it. I know that these companies have used *KOHA* and provide services related to *KOHA* because they are licencees [sic] of the Trust and I have viewed their websites. I understand Catalyst has been offering commercial support in connection with *KOHA* since 2008. In addition to the fact that Catalyst is a licencee [sic] of the Trust, I am familiar with the company because Chris Cormack has worked for them since 2008. As he works on their “*KOHA* team” I have had dealings with him regarding the Trust’s ongoing *KOHA* project.

17. Katipo, which wrote the original *Koha* software for the Trust, hosted the original website www.koha.org¹² (**original website**), mailing list, and IRC channel.¹³

18. In March 2007, the entity known as LibLime acquired the Koha division of Katipo.¹⁴ The evidence is equivocal¹⁵ about exactly what that acquisition entailed, but it appears that the acquisition included the domain name for the original website through which the *Koha* project was originally hosted and managed. LibLime was a contributor¹⁶ to the *Koha* software.

19. In late 2009, some members of the *Koha* community considered that LibLime had effectively “forked” the *Koha* software by releasing “*LibLime Koha’ which was based on a different code base to the main public KOHA base.*”¹⁷ A new website was established by the Trust at <http://koha-community.org> in February 2010¹⁸ for the *Koha* software project.

⁹ Poulain at p1 – The companies include Catalyst and KohaAloha in New Zealand, ByWaterSolutions in USA, BSW in Germany, and Libriotech in Norway.

¹⁰ Christie at [2], exhibit DC-001.

¹¹ Ransom 3 at [7].

¹² Ransom 3 at [4]. The original website went live in 2000.

¹³ Poulain at p1.

¹⁴ Yokley at [2].

¹⁵ Yokley at [2] and Ransom 2 at [2]-[5].

¹⁶ Rose 1 at p 1.

¹⁷ Christie at [10]-[12].

¹⁸ Christie at [12].

20. In 2010, LibLime was sold to PTFS.¹⁹

Ground 1: section 17(1)(a) of the Act

21. Under section 17(1)(a) of the Act, 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.*”

22. For this ground, the opponents rely on *Koha*, which is the name of the Trust’s free and open source library management system. For this ground, I note that a name²⁰ will suffice.

23. The test laid down in *Smith Hayden & Co Ltd’s Application* (1945) 63 RPC 97, 101 (and applied by *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 at 57) sets out the issues:

“Having regard to the reputation acquired [for the name *Koha*] is the Court satisfied that [the opposed mark KOHA], if used in a normal and fair manner in connection with [the opposed goods], will not be reasonably likely to cause deception and confusion amongst a substantial number of persons.”

24. The relevant market will consist of persons in New Zealand who are the prospective or potential purchasers of the opposed goods, and others involved in the purchase transactions – *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 at 61:

(7) It is in relation to commercial dealings with [the opposed goods] that the question of deception or confusion has to be considered, and the persons whose states of mind are material are the prospective or potential purchasers of goods of the kind to which the applicant may apply [the opposed] mark and others involved in the purchase transactions.

25. Having regard to the opposed goods on a notional fair use basis, I consider that the relevant market in New Zealand will consist of the library and information sector in New Zealand, and others involved in the purchase transactions. I consider that the relevant market is not large, is a specialist market; and the nature of it is that information is likely to be

¹⁹ Christie at [13], exhibit DC-007.

²⁰ *The Council of Ivy Group Presidents (t/as The Ivy League) v Pacific Dunlop (Asia) Ltd* (2000) 66 IPR 202 at [34]; *K-Swiss Inc v Federation of The Swiss Watch Industry FH HC Wellington*, 20 July 2009 at [17]; *The Scotch Whisky Association v The Mill Liquor Save Limited* [2012] NZHC 3205 at [61]-[64].

disseminated through word of mouth²¹ at conferences such as those held by LIANZA and/or through the internet.

26. The question is whether “a substantial number of persons” in the relevant market is likely to be deceived or confused by the use of the opposed mark – *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* at 62:

(9) The test of likelihood of deception or confusion does not require that all persons in the market are likely to be deceived or confused. But it is not sufficient that someone in the market is likely to be deceived or confused. A balance has to be struck. Terms such as “a number of persons” (*Jellinek’s Application*), “a substantial number of persons” (*Smith Hayden & Co Ltd’s Application*), “any considerable section of the public” (*New Zealand Breweries Ltd v Heineken’s Bier Browerij Maatschappij NV*), and “any significant number of such purchasers” (*Polaroid Corporation v Hannaford & Burton Ltd*) have been used.

27. The differences between deception and confusion are set out in *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* at 62:

“Deceived” implies the creation of an incorrect belief or mental impression and causing “confusion” may go no further than perplexing or mixing up the minds of the purchasing public (*New Zealand Breweries Ltd v Heineken’s Bier Browerij Maatschappij NV* [1964] NZLR 115, 141). Where the deception or confusion alleged is as to the source of the goods, deceived is equivalent to being misled into thinking that the goods bearing [the opposed] mark come from some other source and confused to being caused to wonder whether that might not be the case.

Awareness of the Koha LMS software

28. Before the applicant has the onus of establishing that the opposed mark does not offend against section 17(1)(a) of the Act, the opponents must first establish that, at the relevant date of **15 February 2010**, there was an awareness, in the relevant market, of the Trust’s *Koha* LMS software – *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* at 63:

For myself I prefer to use a more neutral term such as “awareness” or “cognizance” or “knowledge” and on that basis to ask: having regard to the awareness of [*Koha*] in the New Zealand market for goods covered by the registration proposed, would the use of [the opposed] mark be likely to deceive or cause confusion in that market?

29. The opponent need not establish that there was an awareness of *Koha* for the opposed goods²². However, I note that the Trust’s free and open

²¹ Ransom 3 at [10].

source *Koha* LMS software appears to be the same kind of goods as the opposed goods. I also note that “*the manner in which or the source from which knowledge has been acquired is immaterial.*”²³

30. The opponents must establish that the awareness of *Koha* is sufficient to lead to the possibility that the opposed goods would be identified with the Trust²⁴. However, this is a relatively low threshold²⁵.

31. On the evidence before me, I find that it is established that, at the relevant date of 15 February 2010, the Trust’s *Koha* LMS software was well known in the relevant market. My reasons for this finding are summarised as follows:

31.1 The specialist nature and relatively small size of the relevant market for the opposed goods in New Zealand means that it is easier to generate an awareness of the Trust’s *Koha* LMS software even if the software is not taken up. Joann Ransom²⁶ who is the current Head of Libraries for the Trust deposes that:

10. While the use of *KOHA* has been taken up by more libraries overseas that [sic] in New Zealand, I believe that *KOHA* is well known in New Zealand within the library community. I say this because even though not all libraries use *KOHA*, I believe that a large proportion of the library community is aware of it because of its success internationally, through our website, by word-of-mouth and by the promotion of *KOHA* at conferences.

31.2 The Trust’s *Koha* LMS software, which is free and open source, has been continuously available since January 2000.

²² *The Council of Ivy Group Presidents (t/as The Ivy League) v Pacific Dunlop (Asia) Ltd* (2000) 66 IPR 202 at 212.

²³ *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* at 70.

²⁴ *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* at 62.

²⁵ *N V Sumatra Tobacco Trading Company v British American Tobacco (Brands) Incorporated* [2010] NZCA 24, (2010) 86 IPR 206 (CA) at [77]:

[77] ...All that an opponent needs to show is “awareness”, cognisance” or “knowledge” of the mark. This means that the opponent will first have to identify the relevant market, then point to evidence showing that a substantial number of persons in that market have awareness, cognisance or knowledge of its mark: *Pioneer* [at 74]. What is a substantial number of persons depends on the nature and size of the market and is relative both to the number of persons involved in and their impact on that market: *Pioneer* [at 74-5].

²⁶ Ransom 3 at [10].

- 31.3 LIANZA, which is the professional organisation for the library and information services industry in New Zealand, has about 1,800 individual members and about 400 institutional members.²⁷ Each LIANZA conference between 2000 and 2011 was attended by about 550 members.²⁸ Every second year since 2000, there has been a booth promoting the *Koha* LMS software at the LIANZA conference.²⁹ There have also been speeches on aspects of *Koha* software in at least 5 or 6 of the LIANZA conferences since 2000.³⁰ *Koha* has always received a national profile in New Zealand and at national, annual library conferences.³¹
- 31.4 The Trust's *Koha* LMS software has won a number of awards. In October 2000, it won the 3M Innovation in New Zealand Libraries Award from the Library and Information Association of New Zealand.³² The Trust's *Koha* LMS software also received: (1) Les Trophées Du Libre 2003; (2) Finalist for NZ Open Source Awards 2007; (3) Computerworld Excellence Award Winner 2004; and (4) TUANZ Award 2000.³³
- 31.5 Commercial support service providers such as Catalyst also promote the Trust's *Koha* software by selling associated support services in respect of that software.
- 31.6 Many libraries around the world use the *Koha* software.³⁴ A *Koha* conference, *KohaCon*, is held annually. The first conference was held in Paris, France in 2006. Conferences have been held annually since 2009 in Texas, USA (2009), Wellington, New Zealand (2010).³⁵

No comparison is needed as the Koha name and opposed mark are identical

²⁷ Smith at [2].

²⁸ Smith at [3].

²⁹ Cormack 2 at [9]; Ransom 3 at [13].

³⁰ Cormack 2 at [10].

³¹ Hill at [7].

³² Carnaby at [3].

³³ Ransom 1 at [10].

³⁴ Ransom 3 at [8].

³⁵ Ransom 3 at [8].

32. The opposed mark is a word mark with no limitation, which means that it could appear in any stylised manner, font, size, colour, medium, and/or format on, or in relation to, the opposed goods. As the opposed mark could on a notional fair use basis appear in the same font used by the *Koha* name, I consider that the *Koha* name and the opposed mark are identical.
33. As the *Koha* name and the opposed mark are identical, “no comparisons of [the *Koha* name and the opposed mark] is required as was the case in *VB Distributors*.”³⁶

The opposed goods and the Trust’s Koha LMS software

34. The opposed goods are “computer software, namely, an integrated library system for use in searching a collection of records, circulating materials, purchase of new materials and creation of metadata records for materials held” in class 9.
35. The Trust’s *Koha* software is LMS software and is therefore the same in nature and use to the opposed goods. I consider that the relevant markets for the opposed goods and the Trust’s *Koha* software are largely the same and that the trade channels are likely to be the same – the internet.
36. In comparing the opposed goods (on a notional fair use basis) and the *Koha* LMS software (on an actual use basis), I have considered the following list of factors set out in *British Sugar Plc v James Robertson & Sons Ltd*³⁷ bearing in mind that this list of factors is for “general guidance”³⁸ and that “no single consideration is conclusive in itself”³⁹:

...I think the following factors must be relevant in considering whether there is or is not similarity:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;

³⁶ *The Council of Ivy Group Presidents (t/as The Ivy League) v Pacific Dunlop (Asia) Ltd* (2000) 66 IPR 202 at [46].

³⁷ [1996] RPC 281 at 296-297.

³⁸ *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 at 297; *N V Sumatra Tobacco Trading Company v New Zealand Milk Brands Limited* [2011] NZCA 264 at [38].

³⁹ *N V Sumatra Tobacco Trading Company v New Zealand Milk Brands Limited* [2011] NZCA 264 at [40]; *Application by John Crowther & Sons (Milnsbridge) Ltd* (1948) 65 RPC 369 at 372.

- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

This is rather an elaboration on the old judicial test for *goods of the same description*. [17 See *per Romer J. in Jellinek's Application* (1946) 63 R.P.C. 59 at p. 70, approved by the House of Lords in *DAIQUIRI RUM Trade Mark* [1969] R.P.C. 600 at page 620.] It seeks to take account of present day marketing methods. I do not see any reason in principle why, in some cases, goods should not be similar to services (a service of repair might well be similar to the goods repaired, for instance).

37. I find that, taking all of the *British Sugar* criteria together, the opposed goods and the Trust's *Koha* LMS software are the same. The main difference between them is that the Trust's *Koha* LMS software is free and open source, which means that it is not supplied in the course of trade⁴⁰ but is more in the nature of a community project for the benefit of all who may wish to use it.

Is use of the opposed mark likely to deceive or confuse?

38. I consider that, if the applicant were to use the opposed mark, it is likely that a substantial number of persons in the relevant market will be deceived or confused for the reasons set out below:

38.1 The Trust's *Koha* LMS software was well known in the relevant market at the relevant date.

38.2 The *Koha* name and the opposed mark are identical.

38.3 The Trust's *Koha* LMS software and the opposed goods are the same except for the fact that the Trust's *Koha* LMS software is free and open source.

⁴⁰ *Her Majesty the Queen v John David Hardie* [2003] NZIPOTM 23 at 4:
...In any event the legal test is based upon whether or not the provision of the service is in the course of trade and **a service offered gratuitously is not offered in the course of trade**. [emphasis added]

38.4 The home of the Trust's *Koha* LMS software was the original website that was sold to the applicant. The Trust's current website and the original website contain the word "*koha*", which means that persons in the relevant market may go to the wrong website.

38.5 The Trust's *Koha* LMS software was used for the *LibLime Koha* software, which belongs to the applicant, although it has apparently now been "*forked*".

Finding

39. Accordingly, I find that the opponents succeed on ground 1.

Grounds 2 and 3: section 17(1)(b) of the Act

40. Under section 17(1)(b) of the Act, "*the Commissioner must not... register a trade mark or part of a trade mark if...its use is contrary to New Zealand law or would otherwise be disentitled to protection in any court.*"

41. The Trust has pleaded that use of the opposed mark would be contrary to law because it would amount to: (1) a breach of section 9⁴¹ of the Fair Trading Act 1986 (**ground 2**); and (2) passing off (**ground 3**).

42. Catalyst has pleaded that use of the opposed mark would be contrary to law because it would constitute: (1) a breach of sections 9, 13, and 16⁴² of the Fair Trading Act 1986 (**ground 2**); and (2) passing off (**ground 3**).

43. For ground 1 (section 17(1)(a) of the Act), I have found that, at the relevant date, it is likely that a substantial number of persons in the relevant market will be deceived or confused if the applicant used the opposed mark in relation to the opposed goods. The degree of risk is higher for a breach of section 9 of the Fair Trading Act 1986, which

⁴¹ Section 9 of the Fair Trading Act 1986 states:

9 Misleading and deceptive conduct generally

No person shall, in trade, engage in conduct that is misleading or deceptive or is likely to mislead or deceive.

Compare: Trade Practices Act 1974 (Aust), s 52

⁴² In its written submissions for the hearing, Catalyst has narrowed section 16 to section 16(1)(b) of the Fair Trading Act 1986 – Catalyst's written submissions at [36].

requires “a real risk of in the sense that the misleading or deception could well happen. The consequence must be more than a mere possibility.”⁴³

For the same reasons that were given at [32] for ground 1, I consider that there is a real risk that consumers who are confronted with the applicant’s KOHA library system software will be misled into thinking that the software is the Trust’s free and open source *Koha* software. Therefore I consider that use of the opposed mark by the applicant would amount to a breach of section 9 of the Fair Trading Act 1986.

44. However, I consider that it does not necessarily follow that use of the opposed mark by the applicant would amount to: (1) making a false or misleading representation under section 13 of that Act; (2) prohibited conduct under section 16(1)(b) of that Act; or (3) passing off. This is because, at the relevant date, the Trust appears to have supplied its *Koha* LMS software in a non-commercial context, which effectively removes the basis for these allegations.

Finding

45. Accordingly, I find that the opponents succeed on ground 2 (breach of section 9 of the Trading Act 1986); but they do not succeed on ground 3.

Ground 4: section 25(1)(c) of the Act

46. Under section 25(1)(c) of the Act, the “*Commissioner must not register a trade mark (trade mark A) in respect of any goods or services if... it is, or an essential element of it is, identical or similar to, or a translation of, a trade mark that is well known in New Zealand (trade mark D), whether through advertising or otherwise, in respect of those goods or services or similar goods or services or any other goods or services if the use of trade mark A would be taken as indicating a connection in the course of trade between those other goods or services and the owner of trade mark D, and would be likely to prejudice the interests of the owner.*”

⁴³ *Bonz Group Pty Ltd v Cooke* [1994] 3 NZLR 216 at 229; followed in *K-Swiss Inc v Federation of The Swiss Watch Industry FH* HC Wellington CIV-2009-485-197 20 July 2009 at [53]-[55].

47. This ground applies where “*trade mark D*” is a trade mark (whether or not registered). I consider that this ground does not apply where “*trade mark D*” is a name that is not a trade mark. For the purposes of ground 1, I have found that *Koha*, which is the name of the Trust’s LMS software, was well known in the relevant market at the relevant date. However, as I mention later at [54], I am not satisfied that *Koha* has been used as a trade mark by the Trust. Therefore, I consider that ground 4 must immediately fail.

Finding

48. Accordingly, I find that the opponents do not succeed on ground 4.

Ground 5: section 32(1) of the Act

49. Under section 32(1) of the Act, a “*person claiming to be the owner of a trade mark*” may apply for the registration of a trade mark.
50. By applying for registration of the opposed mark, the applicant was effectively claiming that, at the relevant date, it was the owner in New Zealand of that particular trade mark for the opposed goods by virtue of paragraph (d) of the definition of **owner**⁴⁴ in section 5(1) of the Act.
51. The requirements⁴⁵ for a legitimate claim to ownership under section 32(1) of the Act are that:
- (1) There is no prior use or prior assertion of [ownership].
 - (2) The applicant is using or has sufficiently definite intention to use the mark.

⁴⁴ Owner is defined in section 5(1) of the Act as follows:

owner,—

- (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
- (b) in relation to a collective trade mark that is registered, means the collective association in whose name the trade mark is registered; and
- (c) in relation to a certification trade mark that is registered, means the person who certifies the goods or services to which the certification trade mark relates; and
- (d) in relation to a an unregistered trade mark, means the person who owns all of the rights in the mark

⁴⁵ *Aqua Technics Pool and Spa Centre New Zealand Limited v Aqua-Tech Limited* [2007] NZCA 90 at [14] to [18], which followed *Newnham v Table for Six (1996) Ltd* (1998) 44 IPR 269 at 278 (HC) citing Brown and Grant, *The Law of Intellectual Property in New Zealand* (1989).

- (3) There is no fraud or breach of duty involved.
52. It appears that only requirement 1 is in issue.⁴⁶
53. The issue is whether there has been any actual or proposed use as a trade mark⁴⁷ by the Trust of the opposed mark, or a “*substantially identical*”⁴⁸ trade mark, in relation to “*the same kind of thing*”⁴⁹ as the opposed goods before the applicant used the opposed mark or the relevant date of 15 February 2010, whichever is the earlier.
54. As I have already mentioned, I consider that *Koha* and the opposed mark are identical and that the Trust’s LMS software and the opposed goods are the same, which means that they are therefore “*the same kind of thing*”. I also consider that it is established that the Trust has continuously used its *Koha* name in relation to its LMS software since 1999, which means that the Trust’s use would have priority, in terms of timing, over the applicant’s implied claim to the opposed mark. However, I am not satisfied that this use by the Trust constitutes use of the *Koha* name as a trade mark because the evidence establishes that the Trust has been supplying its open source *Koha* software free of charge, which means that the *Koha* name does not appear to have been used by the Trust “*in relation to [its LMS software] for the purpose of indicating or so as to indicate a connection in the course of trade between the [LMS software]*”

⁴⁶ The Trust’s written submissions at [81]: “*Therefore, the only question is whether the Applicant used the Koha trade mark before the Trust did.*” Catalyst’s written submissions at [39].

⁴⁷ *Aqua Technics Pool and Spa Centre New Zealand Limited v Aqua-Tech Limited* [2007] NZCA 90 at [21]:

[21] Venning J referred to *New South Wales Dairy Corporation v Murray-Goulburn Co-operative Co Ltd* (1989) 86 ALR at 566 where Gummow J held on the issue of use:

The use must be as a “trade mark” ... relevantly, a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and the proprietor, whether with or without an indication of the identity of that person. ... The phrase “in the course of trade” is wide enough to cover steps necessary for the production of goods, as well as the actual placement of the goods on the market”: “*Hermes*” *Trade Mark* [1982] RPC 425 at 432.

⁴⁸ *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* 31 IPR 375 at 391.

⁴⁹ *Re: Hicks’ trade mark* (1897) 22 VLR 636 at 640; *Bombala v Wiltshire* 69 IPR 315; *Colorado v Strand Bags Group Pty Ltd* [2007] FCAFC 184; *Americana International Limited v Suyen Corporation* [2009] ATMO 86; *Dinning v New Balance Athletic Shoe, Inc.* (1992) AIPC 90-931.

and the [Trust].”⁵⁰ Rosalie Blake who was Head of Libraries for the Trust from 1981-2009 deposes that⁵¹:

2. ...On my recommendation, the Trust agreed to release the Koha software licensed with a General Public Licence, making it “open source”. Doing so would encourage other librarians and programmers to continue the development of the Koha software to our benefit as well as that of every other library that chose to use it. The Koha software was and would continue to be available for download and use without charge.
3. The Trust chose the Koha name for our library management software because the Māori word contained elements of both gift and reciprocity. This reflected the Trust’s intent in giving the software to any other library which wished to use it, without charge, as well as the expectation that we would receive help in future from other libraries.

Finding

55. Accordingly, I find that the opponents do not succeed on ground 5.

Ground 6: section 17(2) of the Act

56. Under section 17(2) of the Act, the “*Commissioner must not register a trade mark if the application is made in bad faith.*”

57. I consider that an allegation of bad faith should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference; and I also consider that this ground should not be relied on as an adjunct to a case raised under another section of the Act.⁵² However, I consider that it is quite proper to draw inferences, as long as these are not simply the result of conjecture or guess work.⁵³

58. I note that bad faith is not confined to dishonesty and may be demonstrated by evidence of conduct falling short of reasonable standards of commercial behaviour.⁵⁴

⁵⁰ *Aqua Technics Pool and Spa Centre New Zealand Limited v Aqua-Tech Limited* [2007] NZCA 90 at [21].

⁵¹ Blake at [2], [3].

⁵² *Royal Enfield Trade Marks* [2002] RPC 24 508 at 516.

⁵³ *Target Fixings Ltd v Brutt & Others*, UK Trade Mark Decision, BL No 0-372-06, 20 December 2006, Richard Arnold QC Appointed Person at [28]-[30].

⁵⁴ *Herbert Neumann v Sons of the Desert, S.L.* HC Auckland CIV 2007-485-212, 5 November 2007 at [32], which applied *Valley Girl Co Limited v Hanama Collection Pty Limited & Another* (2005) 66 IPR 214 at 224, which considered *Wham-O Mfg Co v Lincoln Industries* [1984] 1 NZLR 641 at 681-684 (a copyright case where the Court of Appeal also discussed the requirements for registration of a trade mark); and *Gromax Plastaculture Limited v Don & Low Nonwovens Limited* [1999] RPC 367 at 369 (a case involving a joint enterprise to market a plastic crop cover).

59. In determining whether there has been an appropriate standard of commercial behaviour, I must apply the “combined” test in *Harrison’s Trade Mark Application*⁵⁵, which was considered by the High Court in *Herbert Neumann v Sons of the Desert, S.L.*⁵⁶ to be appropriate:

...the Commissioner (or Court) must decide whether the knowledge of the applicant (a subjective element) was such that its decision to apply for registration would be regarded as being in bad faith by persons adopting proper standards (an objective element)...

60. In their notices of opposition and written submissions for the hearing, ground 6 appears to rest on the opponents’ allegation that the Trust is the owner of the opposed mark in New Zealand in relation to the opposed goods. For the reasons given at [54], I have found that the opponents have not succeeded on ground 5, which deals with ownership of the opposed mark. As there is effectively no foundation on which the opponents’ bad faith allegation may rest, I consider that ground 6 must immediately fail.

Finding

61. Accordingly, I find that the opponents do not succeed on ground 6.

Decision

Summary of findings

62. I have found that the opponents have succeeded on their grounds of opposition under sections 17(1)(a) and (b) of the Act (grounds 1 and 2).

Direction

⁵⁵ [2005] FSR 177.

⁵⁶ HC Auckland CIV 2007-485-212, 5 November 2007 at [33].

63. Accordingly, I direct that trade mark application no. 819644 KOHA must not be registered.

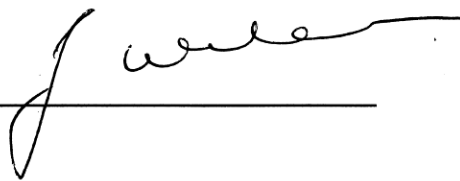
Costs

64. Costs are awarded to the Trust in the sum of **\$3,820**; and (2) Catalyst in the sum of **\$3,550**, calculated in accordance with the IPONZ scale as follows:

Item in IPONZ scale of costs	Cost
<u>Opposition 1</u>	
<u>Items for which lawyer's costs incurred</u>	
Preparing and filing notice of opposition:	500.00
Preparing and filing opponent's evidence:	800.00
Receiving and perusing applicant's evidence:	400.00
Preparing and filing opponent's evidence in reply:	200.00
Preparation of case for hearing:	500.00
Attendance at hearing by counsel (\$180 x 1.5 hours):	270.00
<u>Disbursements</u>	
Notice of opposition fee	300.00
Hearing fee:	850.00
<u>TOTAL:</u>	<u>\$3,820.00 to the Trust</u>
Item in IPONZ scale of costs	Cost
<u>Opposition 2</u>	
<u>Items for which lawyer's costs incurred</u>	
Preparing and filing notice of opposition:	500.00
Preparing and filing opponent's evidence:	800.00
Receiving and perusing applicant's evidence:	400.00
Preparing and filing opponent's evidence in reply:	200.00
Preparation of case for hearing:	500.00
<u>Disbursements</u>	

Item in IPONZ scale of costs	Cost
Notice of opposition fee	300.00
Hearing fee:	850.00
<u>TOTAL:</u>	<u>\$3,550.00 to Catalyst</u>

Dated this 11th day of December 2013



A handwritten signature in black ink, appearing to read 'J Walden', is written over a horizontal line.

J Walden
Assistant Commissioner of Trade Marks

Buddle Findlay for the Trust

A J Pietras & Co for Catalyst

Schedule**Details of New Zealand trade mark application no. 819644:**

Trade mark	KOHA
Trade mark name	KOHA
Trade mark type	Word
Class	9 [Nice classification Schedule 9]
Goods	<i>computer software, namely, an integrated library system for use in searching a collection of records, circulating materials, purchase of new materials and creation of metadata records for materials held</i>
Applicant	Progressive Technology Federal Systems, Inc. DBA Liblime
Statement of use	<i>The mark is being used or proposed to be used, by the applicant or with his/her consent, in relation to the goods/services</i>
Status	Under opposition
Filed on	15 February 2010