

Sany defeats Daimler again - this time in New Zealand

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In the latest bout of a long running trade mark dispute played out in a number of jurisdictions, Chinese heavy industries manufacturer Sany Group Co Ltd (Sany) has won a further victory against German vehicle manufacturer Daimler AG (Daimler) in a recent New Zealand Court of Appeal decision.

In *Daimler AG v Sany Group Co Ltd* [2015] NZCA 418, Daimler unsuccessfully appealed against the earlier decisions of both the High Court and the Assistant Commissioner of Trade Mark's approving an application by Sany to register its trade mark.

Sany had sought to register its Sany logo, which includes a three pronged device within a circle (see below) and covers a range of heavy industry goods including excavators, diggers, buses, motor cars and lorries.



Daimler, who manufactures vehicles under the well-known Mercedes Benz brand, opposed registration of Sany's mark, claiming Sany's mark was too similar to its registered three-pointed star for Mercedes (see below):



Mercedes-Benz

Daimler's key argument was that consumers would be deceived or confused by the visual and conceptual similarities of the marks (pursuant to section 17(1)(a) of the Trade Marks Act 2002 (the Act)). Daimler also argued that such deception or confusion would be in breach of the Fair Trading Act 1986 (the New Zealand equivalent of Australia's Competition and Consumer Act 2010) and amounted to passing off.

The Court of Appeal agreed with both the High Court and Assistant Commissioner of Trade Marks that the marks were not sufficiently similar to cause confusion or deception. The Court of Appeal summarised its view by stating that "when we look at the Sany mark we do not think of the Daimler marks."

In reaching its decision, the Court of Appeal also took into account what (if any) confusion purchasers or prospective purchasers of the goods are likely to have, given the fact such purchasers would be reasonably knowledgeable (and one would hope, careful) when purchasing these goods due to their price and speciality.

The Court of Appeal did agree with Daimler on one point however, finding that it was wrong for the High Court Judge to rely on the addition of the word "Sany" in the Sany mark to make it distinctive. The court said that in some cases the addition of a word may not be significant. Here, the word "Sany" did further distinguish the marks, "but even without its inclusion there is no risk of confusion because of the lack of visual similarity".

Practically speaking, the Court of Appeal's decision indicates that for a device mark to be considered confusingly similar, it must be nearly identical to another mark (ie the threshold test for similarity is high). In this case, the common element of a three pronged device within a circle does not and will not necessarily mean that a mark is so similar as to cause consumer confusion.

The New Zealand Court of Appeal's decision is yet another in this dispute, which has played out in a number of jurisdictions,

including most notably the United Kingdom, Germany, France and Taiwan. Not unsurprisingly, divergent decisions were reached in different jurisdictions, which by and large reflect the differences in law and practice when assessing the issue of similarity.

In the United Kingdom High Court, which considered the matter in the context of registered trade mark infringement, Daimler also failed. The High Court did not consider Sany's mark to meet the threshold level of similarity under United Kingdom law to constitute infringement, and just like New Zealand, the average customer or person working in the industry would not make the relevant "link" between the two marks. Conversely, in Germany and France, the similarities between the marks were considered to be sufficient so as to cause confusion.

It is therefore interesting to note that the Sany and Daimler dispute has not yet played out in Australia. Given the similarities between New Zealand and Australian trade mark law, and the principles followed in each jurisdiction when assessing similarity of marks, it is reasonable to assume that if the same matter was heard in Australia, the Australian Courts are likely to reach the same decision (and so follow the approach of the United Kingdom and New Zealand).

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