

10 October 2016

The Director
Trademark Publisher
A-1190 Wien,
Doblinger
Hauptstrasse 7/33
SWITZERLAND

Attention: Mr Wolfgang Kurtz

By e-mail: office@trademarkpublisher.info

Fair Trading Act 1986: Warning

1. The Commerce Commission has been investigating Trademark Publisher AG (TMP) under the Fair Trading Act (Act).
2. We have now completed our investigation and are writing to you to alert you to our concerns.
3. In summary, the Commission considers that TMP breached the Act by sending holders of New Zealand registered trademarks (**trademark holders**) a document relating to their trademark registration (the **document**). The Commission considers that in sending the document TMP:
 - 3.1 misled trademark holders about the nature of services it claims to provide;
 - 3.2 misled trademark holders about their obligation to pay for those services; and
 - 3.3 failed to clearly inform the trademark holder that it was not under an obligation to make payment for the services.

The investigation

4. During our investigation, the Commission considered complaints from trademark holders about the document.
5. The document was double sided. The first side of the document:
 - 5.1 displayed a logo for the “international online data base of registered trademarks”;
 - 5.2 gave TMP’s address as Level 31, Plimmer Towers, 2-6 Gilmer Terrace, Wellington;

AUCKLAND

L13, Forsyth Barr
55 Shortland Street
P.O. Box 105-222
AUCKLAND 1143, NEW ZEALAND
2575655.1

WELLINGTON

L9, 44 The Terrace
P.O. Box 2351
WELLINGTON 6140, NEW ZEALAND
Tel: (04) 924 3600 Fax: (04) 924 3700
Main Office

- 5.3 contained the following headings:
- 5.3.1 “for publication of your trademark” in capitals at the top of the document;
 - 5.3.2 “accepted payment methods” highlighted in a blue box out;
 - 5.3.3 “payment for” also highlighted in a blue box out and underneath in smaller font “trademark services” and a dollar amount in a red box that is in multiples of \$1,638.00;
 - 5.3.4 “for period up to 2018” and the date of the invoice highlighted in a blue box out; and
 - 5.3.5 “detach this slip for payment by cheque” also highlighted in a blue box out.
- 5.4 contained the trademark holder’s details as they appeared on the IPONZ website together with an IPONZ reference number highlighted in a red box; and
- 5.5 provided that payment could be made via an ANZ bank account number 01-1839-0340216-00 (the **account**) or by cheque payable to TMP. The words “direct debit” and “payment by cheque” were highlighted in red.
6. The only statement on the front page about the nature of the services actually provided by TMP appeared in small capitals underneath the trademark details:

PLEASE SEE REVERSE SIDE FOR FURTHER INFORMATION ABOUT THIS OFFER. THE OWNER OF THE TRADE MARK CONFIRMS THAT HE HAS READ AND ACCPETED THE TERMS AND CONDITIONS OF THIS CONTRACT. THIS ONLINE BPULICATION IN THE IDRTM-RE-GISTER DOES NOT REPLACE THE REISTRATION WITH IPONZ NOR DOES IT EXTEND THE EXPIRY DATE OF REGISTERED TRADEMARK.

7. The second page of the document was headed “terms and conditions”. It contained details about the “TM Publisher AG – Database service” including the following statement:

The TMP website www.trademarkpublisher.info displays the trade mark, the name of the trade mark owner, the name of the associated brand and product/service on the internet. It is only available to paid registered trade names and designs with their intellectual property office of New Zealand (“IPONZ”) registration numbers and classes. Publication on the TEMP info register provides worldwide publication on the internet. This publication is an elective service and does not substitute for registration, nor does it prolong the validity of your trade mark registration with IPONZ (or any other international registration).

8. As a result of receiving the document over 280 trademark holders made payments to TMP of over \$600,000 into the ANZ account between 10 March 2016 and 9 May 2016.
9. On 28 April 2016 TMP entered into interim enforceable undertakings with the Commission under which it agreed:
 - 9.1 not to deal with the ANZ account without the consent of the Commission or Court order; and
 - 9.2 not to send the document or other document of a similar form, nature or effect to consumers in New Zealand for any unsolicited service; and
 - 9.3 to authorise ANZ to reverse payments made by consumers into the account after 6 April 2016.
10. As a result of the Court Enforceable Undertakings and direct requests by customers (outside of the Commission investigation) ANZ was able to reverse approximately \$360,000 in payments.
11. TMP responded to the Commission's concerns by:
 - 11.1 denying that the document sent to New Zealand trademark holders misled trademark holders about the nature of TMP's service;
 - 11.2 stating that the document contained sufficient information to inform recipients of the nature of TMP's service, and that recipients were under no obligation to provide payment relating to that service; and
 - 11.3 offering to refund any party who considered they had made payment relating to the document in error.
12. We communicated with trademark holders who had paid TMP. Every trade mark holder we spoke to told us that they thought that the document related to the renewal of their trademark registration in New Zealand, and that they thought they were under an obligation to pay it.
13. As a result of the Commission's investigation another 111 trademark holders requested refunds totalling approximately \$240,000 from TMP. Those requests were individually authorised by TMP.
14. In July 2016 TMP agreed to refund the remaining few trademark holders who had not requested a refund.

The Commission's view

15. In this case, the Commission's view is that TMP's conduct is likely to have breached the Act. It is also the Commission's view that the services that TMP purports to supply are "unsolicited services" within the meaning of s21B of the Act.
16. The document sent by TMP misled trademark holders by giving the impression that:
 - 16.1 TMP provided trademark renewal services;
 - 16.2 The trademark holder had an existing relationship with TMP; and
 - 16.3 Payment was required in order to maintain or renew their trademark.
17. Additionally, the document likely breached s21C of the Act as it stated the amount of payment for unsolicited services, but did not clearly inform recipients that they were under no obligation to make payment in relation to the document.
18. While we will not be taking any further action against TMP at this time, we suggest that you take legal advice to ensure compliance with the Act should you seek to solicit business in New Zealand in the future.
19. We may also draw this warning to the attention of a court in any subsequent proceedings brought by the Commission against TMP.
20. This warning letter is public information.
21. We may make public comment about our investigations and conclusions, including issuing a media release or making comment to media.

The Commission's role

22. The Commission is responsible for enforcing and promoting compliance with a number of laws that promote competition in New Zealand, including the Fair Trading Act.
23. The Act prohibits false and misleading behaviour by businesses in the promotion and sale of goods and services.

Penalties for breaching the Fair Trading Act

24. Only the courts can decide if there has actually been a breach of the Fair Trading Act.
25. The court can impose penalties where it finds the law has been broken. A company that breaches the Fair Trading Act can be fined up to \$600,000 and an individual up to \$200,000 per offence.
26. You should be aware that our decision to issue this warning letter does not prevent any other person or entity from taking private action through the courts.

Further information

27. We have published a series of fact sheets and other resources to help businesses comply with the Fair Trading Act and the other legislation we enforce. These are available on our website at www.comcom.govt.nz.
28. We encourage you to visit our website to better understand your obligations and the Commission's role in enforcing the Act.
29. You can also view the Fair Trading Act and other legislation at www.legislation.co.nz.
30. Thank you for your assistance with this investigation. Please contact Zeb Walker on (04) 924 3635 or by email at zeb.walker@comcom.govt.nz if you have any questions about this letter.

Yours sincerely



Ritchie Hutton
Head of Investigations

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Hesketh Henry
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