

O/323/12

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2571956
IN THE NAME OF EXOTICA ENTERPRISE LTD

AND

OPPOSITION THERETO UNDER NO 102062
BY HONEY NEW ZEALAND (INTERNATIONAL) LTD

Background

1. On 10 February 2011, Exotica Enterprise Limited (“the applicant”) filed an application with priority from a New Zealand application of 1 November 2010f. The application seeks registration of the trade mark MANUKA GOLD in respect of the following goods:

Class 33

Liqueurs containing Manuka honey

2. The application was published in the *Trade Marks Journal* on 18 March 2011. Following its publication, notice of opposition to the registration was filed by Honey New Zealand (International) Limited (“the opponent”). The opposition is based on grounds under sections 5(2)(a), 5(3) and 5(4)(a) of the Act. In respect of the grounds of opposition under sections 5(2)(a) and 5(3) of the Act, the opponent relies on the following registered Community trade mark (“CTM”):

Mark	Filing/ Registration dates	Specification of goods
CTM 5369228 MANUKA GOLD	9 October 2006/ 24 April 2008	<p>Class 3 Soaps, perfumery, essential oils; cosmetics; hair lotions; toothpaste; dentifrices; mouthwashes and other preparations for oral and dental hygiene, for teeth, gum, tongue, mouth and dentures; soaps, perfumery, cosmetics, toiletries, lotions, toothpaste and mouthwashes, all containing honey, propolis, or other bee products.</p> <p>Class 5 Pharmaceutical preparations; dietetic substances adapted for medical use; food for babies; food supplements; vitamins; herbal preparations for medicinal use; health food supplements, all containing honey, propolis and other bee products; plasters and materials for dressings, including dressings containing honey, propolis and other bee products.</p> <p>Class 30 Honey, propolis and other bee products; products and/or preparations made from or including honey and/or bee products.</p> <p>Class 32 Mineral and aerated waters and other non-alcoholic drinks, fruit drinks and fruit juices; syrups and other preparations for making beverages; non-alcoholic beverages containing honey, propolis, or other bee products.</p>

3. Whilst it relies on all of the above goods in respect of the objection under section 5(3), its objection under section 5(2)(a) is based on a more limited range of goods which I will set out later in this decision.

4. In respect of the claim made under section 5(4)(a) of the Act, the opponent relies on use of MANUKA GOLD since 2006 in respect of *honey*.
5. The applicant filed a counterstatement in which it refutes each of the claims made.
6. Only the opponent filed evidence but both parties filed written submissions. The matter came before me for hearing on 22 August 2012. The applicant did not attend and was not represented though a letter was filed giving some brief comments which I will refer to as necessary later in this decision. The opponent was represented by Mr Simon Malynicz of counsel, instructed by Groom Wilkes & Wright LLP, the opponent's legal representatives in these proceedings.

The evidence

7. The opponent's evidence is in the form of witness statements by Matthew Pringle, who is CEO and owner of the opponent company and Jackie Tolson who is a registered trade mark attorney with Groom Wilkes & Wright LLP.

8. Mr Pringle states the MANUKA GOLD brand was originally created by William Ransom & Sons Plc though he does not say when it was created. He states that the opponent purchased the trade mark and all goodwill associated with it, in February 2010 and produces a range of goods under the mark including honey and tea as well as lozenges and throat sprays. He does not give any details of what use (if any) was made of the mark prior to the date the opponent purchased it.

9. Mr Pringle gives the following details of sales figures under the mark in relation to the sale of honey in the UK:

Dates	Sales value (not less than)
April 2009 - March 2010	£645,000
April 2010 – March 2011	£2,250,000 (of which not less than £720,000 relates to February/March 2011)

10. The goods are said to have been sold through Ransoms and Holland & Barrett stores.

11. Whilst he is unable to give specific details of advertising under the mark in relation to honey, Mr Pringle states that the opponent has contributed at least £50,000 to each of the following TV campaigns run in conjunction with Holland & Barrett:

- “3 for 2 offer” ending 2 September 2010
- “Penny Sale” ending 7 April 2011
- “3 for 2 offer” ending 1 September 2011

12. Whilst Mr Pringle states that the advertisements, copies of which he exhibits at MP5, were run on UK terrestrial television and “would have been viewed by thousands of people”, he gives no specific details of the date(s) and time(s) they

were shown nor does he give any indication of on which channel(s) they were transmitted or their viewing figures at the relevant time.

13. At MP6 is exhibited an invoice relating to one of the above promotions. It is from Holland & Barrett and is addressed to Honey New Zealand Europe Limited. Mr Pringle states this is his company's "European arm". The invoice is dated 11 July 2011 (after the date of application of the mark in suit) and seeks payment of £50,000 for "HNZ promo funding". The exhibit also contains a document of credit for the same invoice relating to the payment of that sum.

14. Mr Pringle states that the opponent has advertised its MANUKA GOLD brand "extensively and consistently throughout the UK" and, at MP7, exhibits copies of advertisements "placed in magazines and information leaflets distributed in store" though he gives no further details of which store(s) might have been involved or how many magazines or leaflets were distributed and when. The exhibit contains the following pages:

1: an undated page giving details of various jars of MANUKA GOLD honey and address details of Honey New Zealand Europe.

2: a page showing a „buy one get one half price' offer on MANUKA GOLD honey. Whilst the offer is shown to be available between 3rd and 24th December, no year is given and the page is otherwise undated.

3: a page on which is handwritten „Healthy Magazine April 2010'. The advertisement gives details of two loose leaf teas.

4: an undated page showing a jar of honey.

5: a page on which is handwritten „Ransoms Healthy Mag Ad' which shows jars of MANUKA GOLD honey. It is undated.

6: Whilst it is not entirely clear, this page appears to have handwritten on it „April 10 UK cell sheet' and shows jars of honey.

15. Mr Pringle states that honey has antiseptic properties and has long been recognised as a natural remedy and used as a medicine for thousands of years. He states that the Manuka bush is indigenous only to New Zealand, with that country being a leading producer of honey. Honey also, he states, has other uses, one of which is in the production of the alcoholic beverage mead, where it is fermented in solution with water. Mr Pringle states that mead can be flavoured e.g. by the addition of a fruit flavour such as cherry.

16. Ms Tolson's witness statement serves to introduce 4 pages which, she says, were taken from the applicant's website. The pages show them to have been printed on 7 March 2012. The pages refer to a liqueur described as "New Zealand's Premium Honey Liqueur". Ms Tolson highlights the claim that "Manuka honey is known for its medicinal qualities and therefore when added to hot water it acts like a traditional medicine for cough, cold and sore throat". She says this is suggestive of using the liqueur in the same way. The first page of the exhibit contains the sentence

“This unique product can be used in exotic cocktails, delicious desserts and mouth-watering mains”.

17. That completes my summary of the evidence to the extent I consider it necessary.

Decision

18. I deal first with the objection under section 5(2)(a) of the Act. This section reads:

- “(2) A trade mark shall not be registered if because-
- (a) It is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
 - (b) ...

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

19. An “earlier trade mark” is defined in section 6 of the Act. It states:

“6.-(1) In this Act an “earlier trade mark” means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
- (b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or
- (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.

(3) A trade mark within subsection (1)(a) or (b) whose registration expires shall continue to be taken into account in determining the registrability of a later mark for a period of one year after the expiry unless the registrar is satisfied that there was no *bona fide* use of the mark during the two years immediately preceding the expiry.”

20. In support of this ground of opposition, the opponent relies on its CTM 5369228, details of which are set out above. Whilst it is an earlier mark within the meaning of the Act, it is not subject to the proof of use requirements set down in section 6A as it had not been registered for five years at the date of publication of the application now under consideration.

21. In determining the question under section 5(2)(a), I take into account the guidance provided by the European Court of Justice (CJEU) in *Sabel v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R 77, *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723, *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di Laudato & C. Sas v OHIM* C-334/05 (Limoncello), as cited with approval in *Och-Ziff Management Europe Ltd and Oz Management LP v Och Capital LLP, Union Investment Management Ltd and Ochoki* [2010] EWCH 2599 (Ch). It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
- (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of marks

22. In its written submissions, the applicant states:

“3. The Opponents Grounds in Support of Opposition 10 / claims that their client’s mark is identical (*it is not*);...”

however, as the mark applied for and the earlier mark relied on both consist solely of the two words MANUKA GOLD, with both being presented in plain block capitals, they are, clearly, identical.

Comparison of goods

23. As indicated above, the opponent’s objection under this ground is based on limited goods of its earlier mark. Taking this into account, the goods to be compared are as follows:

Applicant’s goods	Opponent’s goods
Class 33 Liqueurs containing Manuka honey	Class 30 Honey, propolis and other bee products; products made from honey and/or bee products Class 32 Syrups and other preparations for making beverages; non-alcoholic beverages containing honey, propolis, or other bee products

24. At the hearing, Mr Malynicz agreed that the opponent’s best case rests with those goods as are set out in Class 32. I proceed on that basis, as if it cannot succeed in respect of these goods, the opponent is in no better position in respect of its goods in class 30.

25. In its written submissions dated 12 December 2011, the opponent states that the goods of its earlier mark are “similar and/or associated with” those of the applicant but gives no further explanation. In its notice of opposition, it claims that “by-products

of Manuka honey, including liqueurs made from Manuka honey are similar goods to Manuka honey sold as food or other foods and beverages made from or containing Manuka honey” but again, gives no further explanation. In its skeleton argument and insofar as its submissions relate to goods for which it is registered in class 32, it states:

“ 7.1 All these beverages have the same basic purpose and nature in that they are all liquids and are drunk to quench thirst or to be enjoyed as a recreational drink (e.g. a cocktail which may be alcoholic or non-alcoholic) or before or after food (aperitif or digestive, again which may be alcoholic or non-alcoholic);

7.2 It is common for all these beverages to be available from the same outlets (e.g. on the same menu in a restaurants (sic) or behind the same counter in bars and in the same or near section in supermarkets and grocery stores);

7.3 Liqueurs are commonly used in cocktails (this can hardly be disputed, but see the applicant’s referring to use in “exotic cocktails” at page 1 of Exhibit JT1). It is also common for cocktails to use fruit juices, syrups and other non-alcoholic components. As such, these goods are complementary.

7.4 The applicant’s goods are not just any liqueur but specifically liqueurs containing Manuka honey. There is plainly similarity between these goods and the opponent’s “syrups for making beverages” and, more particularly, “non-alcoholic beverages containing honey”. The only difference is that one is alcoholic and the other is not. This makes the goods substitutable by a people who either do not drink generally or who do not wish to imbibe alcohol on a particular occasion because, for example, they are driving or working.”

26. The applicant puts its case in the following terms in its counterstatement:

“We hereby refute any notion that a 22% proof lacquer; and, the opponent’s 5(2)(a) is not identical; and (4) gods are not identical or similar; although both, claim to be made from New Zealand’s Manuka honey”.

27. Whilst the applicant’s submissions are not entirely clear, I do not think there can be any doubt that it considers the respective goods to be dissimilar. The applicant also refers me to proceedings involving the trade mark in other jurisdictions. It has not provided any details of those proceedings but, in any event, I have to consider matters afresh on the basis of the material before me.

28. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28, Jacob J gave advice as to how similarity of goods should be assessed. He identified the following factors to be taken into account:

- (a) The respective uses of the respective goods;
- (b) The respective users of the respective goods;
- (c) The physical nature of the goods;

- (d) The respective trade channels through which the goods 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 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 in the same or different sectors.”

29. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06 the General Court stated:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM- Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05, *Saint-Gobain Pam v OHIM –Promamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM –Bolaños Sabri (PiraÑam diseño original Juan Bolaños)* [2007] ECR-1-0000, paragraph 48).”

30. The applicant’s goods are liqueurs which contain Manuka honey. Liqueurs are alcoholic beverages. The opponent’s goods include beverages containing honey though in this case they are specified as being non-alcoholic. The respective goods are, clearly, both beverages intended to be drunk albeit that a liqueur is likely to be drunk in smaller quantities given its likely strength. Whilst alcoholic beverages are intended for consumption by adults, non-alcoholic beverages are also consumed by them and therefore the users of the respective goods overlap. Despite the respective goods each being, in the broadest sense, a beverage, the production methods of each will differ. That said, both may reach the consumer by the same trade channels. Both will appear in the same general area of a supermarket, albeit on different shelves and both will also be available in pubs, bars and restaurants. Each of them may also be used as ingredients in other drinks such as e.g. a cocktail and each contains honey or other bee products, I find that similar goods are involved, that similarity being of a reasonable degree.

Distinctive character of the earlier mark

31. I must also assess the distinctive character of the earlier mark. The distinctive character of a trade mark must be appraised first, by reference to the goods in respect of which it has been registered and, second, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall

assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking and thus to distinguish those goods from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

32. The opponent has filed evidence of use of its mark, however, none of it relates to the goods which are under consideration here. There is, for example, no evidence of any sales or advertising under the mark in respect of beverages. That being the case, I have only the mark's inherent distinctiveness to consider. There is no dispute that MANUKA is a plant and that bees which feed from this plant produce a honey which is said to have certain qualities or properties which are attractive to the consumer. The word is therefore descriptive of goods made from or with honey made by bees which feed from the Manuka plant. The word GOLD has laudatory connotations. I consider the distinctiveness of the mark lies in its totality. It is a mark with a relatively low degree of inherent distinctiveness.

Likelihood of confusion

33. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the goods and vice versa. It is also necessary for me to consider the distinctive character of the opponent's trade mark, as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

34. I have concluded that the competing trade marks are identical, that the earlier trade mark possesses a reasonably low degree of inherent distinctive character which has not been enhanced by use and that the respective parties' goods are similar to a reasonable degree. I take into account that both parties' goods contain honey which leads me to conclude that there is likely to be an association in the mind of the consumer which may lead them to think that the respective goods come from the same or economically linked undertakings. Taking all factors into account, I conclude that there is a likelihood of confusion and the opposition based on grounds under section 5(2)(a) of the Act succeeds accordingly.

The objections under section 5(3) and 5(4)(a) of the Act

35. Whilst not formally withdrawing the objections under these grounds, Mr Malynicz accepted that they added little to that already considered under section 5(2)(a). In view of my findings above, I decline to deal with these grounds in any detail. Had I done so, however, I do not consider they would have succeeded in any event, given the flaws in the evidence and lack of detail directed to the relevant date which I have outlined above.

Summary

36. The opposition succeeds on the grounds brought under section 5(2)(a) of the Act.

Costs

37. The opponent having succeeded, it is entitled to an award of costs in its favour. I take note that limited evidence was filed (and by the opponent only) but that written submissions were filed by both parties. The hearing, requested by the opponent, was brief in the extreme. Taking all matters into account, I make the award on the following basis:

Preparing a statement and considering the other side's statement:	£200
Fee for filing opposition:	£200
Preparing evidence :	£500
Written submissions and attendance at hearing:	£300
Total:	£1200

38. I order Exotica Enterprise Limited to pay Honey New Zealand (International) Limited the sum of £1200. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated 24th of August 2012

**Ann Corbett
For the Registrar
The Comptroller-General**