

O-898-21

TRADE MARKS ACT 1994

IN THE MATTER OF CERTIFICATION TRADE MARK APPLICATION NO.

3150262

**IN THE NAME OF MANUKA HONEY APPELLATION SOCIETY INCORPORATED
IN RESPECT OF THE TRADE MARK**

MANUKA HONEY

IN CLASS 30

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 413828 BY
VALEO FOODS UK LTD AND ROWSE HONEY LIMITED**

Background and pleadings

1. UMF Honey Association Incorporated (“UMF”) applied to register the certification trade mark no. 3150262 MANUKA HONEY in the UK on 17 February 2016, claiming a priority date of 18 August 2015 based upon a New Zealand registration. It was accepted and published in the Trade Marks Journal on 22 June 2018 in respect of *Honey* in Class 30.

2. An application to record a change of ownership was received on 12 May 2016 notifying the Registry that the application had been assigned to The Manuka Honey Appellation Society Incorporated (hereafter “the applicant”) on 5 May 2016.

3. Valeo Foods UK Ltd (“Valeo”) opposed the trade mark on the basis of section 5(4)(a), section 3(1)(b) and (c), section 3(6) and section 50(2) of the Trade Marks Act 1994 (“the Act”).

4. Valeo’s primary position is that application offends under section 3(1)(b) and (c) of the Act because the term MANUKA HONEY refers to a type of honey that originates, primarily, from New Zealand. Such honey is known for its anti-bacterial properties. It is claimed that Manuka honey is differentiated from other honey in that it has the characteristic referred to as non-peroxide activity (“NPA”). The mark, therefore, fails to distinguish the goods of one certification body from another. In respect of the ground based upon section 3(1)(c), Valeo asserts that the contested mark is descriptive of honey and it relies upon the same arguments as put forward in support of the section 3(1)(b) grounds are.

5. The section 3(6) ground is based upon the claim that the contested mark is based upon a prior New Zealand mark owned by UMF and assigned to Manuka Honey Appellation Society Incorporated (hereafter “the applicant”) on 5 May 2016. UMF is an independent company and could not apply for a certification mark because they do not meet the requirements of paragraph 4 of Schedule 2 of the Act. Consequently, it was an act of bad faith to apply for a certification mark when it was not possible for that party applying to obtain such a mark. Alternatively, Valeo asserts that at the date of application, UMF had no intention to use the MANUKA HONEY mark because it

intended to assign it to the applicant. Valeo also states that should the applicant argue that use will only be “in a form that is akin to a normal certification mark (i.e. they are in the form of a sign which show they come from being certified by the Applicant)” then it will argue that the application is made in bad faith.

6. The section 5(4)(a) ground is provided by way as a fall back if the opposition fails in the primary case that the contested mark is caught by the provisions of section 3(1) of the Act. It is founded upon Valeo’s claim to the earlier unregistered rights in the signs ROWSE MANUKA and ROWSE MANUKA HONEY that is claimed to have been first used in the UK in 1998 in respect of “honey and the retail of honey” and has acquired goodwill under the sign. It is claimed that Valeo are the owner of the goodwill associated with “Rowse” such that that the goodwill claimed in its unregistered signs would be viewed as being a sub-brand or a product line of Valeo. Use of the certification mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

7. The applicant filed a counterstatement denying the claims made. In respect of the section 3(1)(b) and (c) grounds it asserts that:

- (i) MANUKA HONEY is capable of distinguishing goods certified by the applicant from goods that are not certified;
- (ii) simple word marks are capable of functioning as certification marks;
- (iii) its mark has acquired distinctive character in the UK prior to the relevant date as a result of
 - a. extensive use in the UK, and;
 - b. the fact that honey made from the nectar of the *Leptospermum Scoparium* plant in New Zealand has different attributes and characteristics from honey made outside New Zealand;

8. In respect of the ground based upon section 3(6), the applicant asserts that that the case based upon paragraph 3(2) of Schedule 2 is wholly unparticularised and that paragraph 3(2) concerns only the scope of the protection afforded to certification marks consisting of indications of geographical origin.

9. At a case management conference (“the first CMC”) held on 5 March 2019, it was agreed that this opposition would proceed to a decision in respect of the grounds based upon section 3(1)(b) and (c), section 3(6) and section 5(4)(a) but that the proceedings would be stayed in respect of the grounds based upon section 50(2) until the outcome of these grounds is decided because of the additional costs involved in relation to such issues as obtaining expert evidence.

10. On 18 July 2019, Valeo requested leave to join Rowse Honey Limited (“Rowse”) as a party to the proceedings because, in the course of Valeo compiling its evidence it became apparent that Rowse¹ are the owners of the claimed goodwill and they were subsequently joined as a joint opponent (hereafter “the opponents”).

11. The opponents in the current case and the opponent in the parallel opposition 413837, Australian Manuka Honey Association (hereafter, “AMHA”) have collaborated in the production of their evidence with a view to being more efficient and cost effective. The opponents in both proceedings, therefore, split the task of compiling evidence but the combined evidence is relied upon by both sets of opponents. At the first CMC, the parties were granted leave to file evidence in excess of the published page limits.

12. The parties have both filed very extensive evidence in these proceedings. This will be referred to the extent that it is considered necessary. A Hearing took place over the two days, 22 and 23 September 2021. At the same hearing, we also heard oral submissions in respect of the parallel opposition 413837 but the proceedings remained separate. In the current case, the opponents were represented by Mr Jonathan Moss of Counsel, instructed by Eversheds Sutherland, however, the opponents also relied upon the oral submissions of Mr Guy Hollingworth of Counsel and appearing at the hearing for the opponent in the proceedings relating to opposition 413837. The applicant was represented by Ms Amanda Michaels of Counsel, instructed by Mathys & Squire. John Rawcliffe, for the applicant appeared for cross examination.

¹ Mr Henigan’s first witness statement, para 55

Evidence

13. The opponents' evidence-in-chief consists of the following (* Adopted from opposition 413837):

- The witness statement of Cathal Henigan and Exhibit CH1. Mr Henigan is Purchasing Director at Valeo, a position he has held since 2014. He was Purchasing Director at Wellness Foods Limited (between 2007 and 2014) that acquired Rowse in 2006 before Valeo acquiring it in 2014. Mr Henigan is also Chairman and director of British Honey Importers & Packers Association Limited. He also represents the UK honey industry at European level through "FREEDEM", the European Federation of Honey Packers.
- *The witness statement of Jane Mary Bagnall and Exhibits JMB1 – JMB18. Ms Bagnall is solicitor of the Senior Courts in England and Wales and Partner at Charles Russell Speechlys LLP and has conduct of opposition 413837 on behalf of AMHA;
- *The witness statement of Lawrence Michael Howes, and Exhibits LMH1 – LMH8. Mr Howes is a beekeeper and a member of AMHA;
- *The witness statement of Benjamin Alexander Mckee, and Exhibits BM1 – BM14. Dr Mckee is CEO of Hives and Wellness Australia Pty Ltd, previously known as Capilano Honey Limited;
- *The witness statement of Nicola Ann Charles, and Exhibit NAC1. Ms Charles is the managing director of Australian Quality Honey Pty Ltd (that she refers to as "Blue Hills"). She states that Blue Hills is a member of AMHA;
- *The witness statement of Yeonsoon Bourke and Exhibits YB1 – YB3. Ms Bourke is Marketing Director of Australian Honey Products Pty Ltd;
- *The witness statement of Jonathan Glyn Jones and Exhibits JGJ1 – JGJ3. Mr Jones is Managing Director of Tregothan Trading which is the trading name for the trading arm of the Tregothan Estate in Cornwall;

14. The applicant's evidence consists of:

- The witness statement of Adrian Jon Charlton. Dr Charlton is Principal Scientist employed by Fera Science limited and is Chair of the UK Committee on Bee Products and a recognised national expert in relation to methods of analysis, particularly applied to honey;
- The witness statement of John Rawcliffe and Exhibits JR-1 to JR-5. Mr Rawcliffe is the Secretary of the applicant;
- The witness statement of Jonathan McDonald Counsell Stephens and Exhibit JS-1 to Exhibit JS-7. Mr Counsell is the Head of Honey Research for Comvita New Zealand and an advisor to UMF;
- The witness statement of Laura Todhunter and Exhibit LT-1. Ms Todhunter is a Managing Associate and Chartered Trade Mark Attorney at Mathys & Squire LLP, the applicant's representative in these proceedings;
- The witness statement of Margaret Bennett and Exhibit MB. Ms Bennett is owner and company director of SummerGlow Apiaries Limited, a New Zealand company;
- The witness statement of Rashdah Bibi Ali and Exhibit RBA. Mr Ali is an accountant but was previously employed by Comvita UK (until 2018). Through his role at Comvita UK, he gained extensive knowledge of the honey market in the UK and, in particular, the Manuka honey market;
- The witness statement of Russell David Frew, Professor of Chemistry at the University of Otago, Dunedin, New Zealand;
- The witness statement of Anthony Donald Wright and Exhibit TDW. Mr Wright is general manager of Comvita New Zealand, the worlds largest producer of Mānuka Honey;
- The witness statement of Victor Heath George Goldsmith, a member of the Federation of Māori Authorities Miere Technical Working Group. He is also chairman of the following:
 - Awatere B Trust;
 - Miere Working Group;
 - Māori Reference Group of Apiculture New Zealand;
- A second witness statement of Ms Todhunter and Exhibit LT-2.

15. The opponents' evidence-in-reply consists of (* Adopted from '837):

- The second witness statement of Mr Henigan and Exhibit CH2;
- The witness statement of Eric Thomas Hirau Walters and Exhibit ETHW1. Mr Walters is a board member of AMHA and Chief Executive of the Māori Research Institute Limited;
- A third witness statement of Mr Henigan;
- *A second witness statement of Dr Mckee;
- *A second witness statement of Ms Charles and Exhibit NAC2;
- *A second witness statement of Mr Howes and Exhibit LMH9;
- *The witness statement of Peter Richard Brooks and Exhibit PRB1. Mr Brooks is a Senior Lecturer in Chemistry at the University of the Sunshine Coast and a Research Leader of the university's Honey Laboratory. He is also on the Board of Directors of AMHA;
- *A further witness statement of Ms Bagnall and Exhibits JMB19 and JMB20.

Cross examination

16. Mr Rawcliffe attended the hearing for cross-examination. The areas for cross-examination, as confirmed in the CMC of 6 May 2021 ("the second CMC"), were:

- (i) What Mr Rawcliffe knew (at the relevant date) regarding the legal conditions relating to certification marks, in particular, those contained in Schedule 2 of the Trade Marks Act;
- (ii) Whether UMF had an intention to genuinely use the mark and whether there was an intention (at the relevant date) for the mark to be used in a form different to how it was applied for (such that the mark in use will differ from the mark applied for);
- (iii) The extent and nature of use of the term MANUKA HONEY in the UK;

17. Mr Rawcliffe appeared somewhat reluctant or slow to provide answers at times but he struck us, ultimately, as being an honest witness. Mr Moss described him as being less than candid and certainly he was not particularly forthcoming in respect of the

circumstances surrounding the setting up of the applicant and the Manuka Charitable Trust.

18. The questions put to Mr Rawcliffe are relevant to the issue of bad faith and we will refer to his answers, as appropriate, when discussing the ground based upon section 3(6).

DECISION

Section 3(1)(c)

19. We find it convenient to begin by considering the ground based upon section 3(1)(c). This section states:

“3.— Absolute grounds for refusal of registration

(1) The following shall not be registered—

(a) ...

(b) ...

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) ...

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”.

20. Also relevant are the following provisions set out in section 1 of the Act:

“1. (1) In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.

2. References in this Act to a trade mark include, unless the context otherwise requires, reference to a certification mark (see section 50)”

and in paragraph 2 of Schedule 2 of the Act:

“2. In relation to a certification mark the reference in section 1(1) (signs of which a trade mark may consist) to distinguishing goods and services of one undertaking from those of other undertakings shall be construed as a reference to distinguishing goods or services which are certified from those which are not.”

21. Section 50 of the Act states:

“50. (1) A certification mark is a mark indicating that the goods or services in connection with which it is used are certified by the proprietor of the mark in respect of origin, material, mode of manufacture or goods or performance of services, quality, accuracy or other characteristics.

(1) The provisions of this Act apply to certification marks subject to the provisions of Schedule 2.”

22. This creates an important distinction between an ordinary trade mark and a certification mark and the application of the normal principles for assessing whether a mark is debarred from registration under section 3(1)(c). The assessment of a certification mark within section 3(1)(c) of the Act must be from the perspective of whether the mark can distinguish goods which are certified from those which are not rather than whether it guarantees trade origin.

23. The issue in dispute is whether at the relevant date, namely, the application's claimed priority date of 18 August 2015, the mark MANUKA HONEY designated a characteristic of the goods and if so, was the use made of it such that the relevant public had been educated to perceive it as designating goods which are certified from those which are not.

Inherent distinctive character

24. The case law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation, formerly article 7(1)(c) of the CTM Regulation) was set out by Arnold J. in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94 , see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18, paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461, paragraph 24).

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94. Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia , *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44, paragraph 45, and *Lego Juris v OHIM* (C-48/09 P), paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley* , paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94 , it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the

same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of

the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56)."

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97]."

25. In *Matratzen Concord AG v Hukla Germany SA*, Case C-421/04, the Court of Justice held that:

"24. In fact, to assess whether a national trade mark is devoid of distinctive character or is descriptive of the goods or services in respect of which its registration is sought, it is necessary to take into account the perception of the relevant parties, that is to say in trade and or amongst average consumers of the said goods or services, reasonably well-informed and reasonably

observant and circumspect, in the territory in respect of which registration is applied for (see Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee [1999] ECR I-2779, paragraph 29; Case C-363/99 Koninklijke KPN Nederland [2004] ECR I-1619, paragraph 77; and Case C-218/01 Henkel [2004] ECR I-1725, paragraph 50).”

26. At the hearing, the opponents relied upon the submissions of Mr Guy Hollingworth, counsel for AMHA. Mr Hollingworth drew our attention to the examples of certification marks provided in the Registry’s Work Manual² to support the opponents’ claim that a sign must convey “certification-ness”. In particular, he drew our attention to:

- (i) An example of an acceptable certification mark consisting of a figurative mark showing a rosette containing the words “Quality standard for 100% minced beef made in the UK”;
- (ii) The sign “Guaranteed 100% cotton” being an example of a sign that is not acceptable because it does not indicate that a certification scheme is guaranteeing the presence of that characteristic;
- (iii) The sign “Cottonmark 100% cotton” as another example of an acceptable certification mark because of the presence of the “Cottonmark” element giving it the capacity to distinguish goods certified from those that are not.

27. Mr Hollingworth pointed to a paucity of supporting case law but what case law exists is consistent with these examples. He drew our attention to the following two cases:

- *Stilton Trade Mark* [1967] FSR 15: Mr Hollingworth submitted that this provides limited guidance because it was decided under the 1938 Act and that the case was not decided from the perspective of the average consumer but rather based upon the view of trade experts. Nevertheless, he pointed out that the circumstances of registration were:

² Chapter entitled “Certification and collective marks” para 2.1.3.

- (a) The applicant was an association which consisted of all known manufacturers of Stilton cheese;
 - (b) Detailed regulations defined what cheese was eligible to be certified;
 - (c) The application was supported by evidence illustrating that the word STILTON had been used for 50 years to denote exclusively cheese manufactured by a particular process and in a particular district and is still used in this way today.
- *Legal Aid Trade Mark*: The mark LEGAL AID was objected to *prima facie* on the basis that the mark lacked distinctive character. The hearing officer also commented that the public had been educated to recognise LEGAL AID as the State Assisted Financial Aid Scheme but that this was an entirely different matter from recognition as the Legal Aid Board's certification mark. On appeal³, Sir Andrew Morritt VC agreed that the issue was whether a significant proportion of the relevant public recognise the mark as indicating that the services are certified by the body applying for the mark. He went on to say that the mark would convey to the public the provision of legal assistance in accordance with the Legal Aid legislation in force. It was noted that the legal aid scheme is administered by the Legal Aid Board and that a member of the public cannot get legal aid otherwise than through the board or its agencies. He concluded by allowing the appeal and finding the words LEGAL AID distinguish the provision of legal assistance by the Legal Aid Board from the provision of legal services by other persons under another scheme or no scheme at all.

28. Mr Hollingworth submitted that it is apparent from these comments that LEGAL AID was *prima facie* non-distinctive and the question of acquired distinctiveness depended upon whether the mark has come to be perceived as indicating certification or "officialness" in the minds of the public. Ms Michaels submitted that Mr Hollingworth's approach was "far too sweeping" and pointed to some plain word marks including COGNAC (UKTM No 3386514) for *wine spirits* and NAPA VALLEY (WO0000001085952) for *wine*. She argued that neither of these explicitly signalled

³ unreported, HC No 2000 No 817

that they were certification marks. Rather, they related to the goods that were being certified.

29. We agree that a certification mark must convey, to borrow Mr Hollingworth's phrase, "certification-ness" to the consumer (such as the WOOLMARK example also identified by Ms Michaels but which appears to support Mr Hollingworth's point) either inherently or because the consumer has been educated to recognise that the sign indicates that the goods are certified.

30. As Mr Hollingworth pointed out the COGNAC and NAPA VALLEY examples identified by Ms Michaels both involve marks that have been used for many decades.

31. In addition, we note that these both identify geographical locations rather than a product description and, as such, there may be different considerations compared to the current mark. Further, as Mr Hollingworth also submitted, state of the Register evidence is rarely helpful⁴ because we do not know the circumstances surrounding their acceptance. Consequently, we find that the existence of these two certification marks does not take forward the applicant's case.

32. It appears to be common ground between the parties that:

- (i) Mānuka is a Māori word (there is some disagreement regarding the significance of a macron on the first "a") to describe the *leptospermum scoparium* plant;
- (ii) *Leptospermum scoparium* is endemic in Tasmania as well as New Zealand;
- (iii) Manuka honey is derived from bees feeding on *leptospermum scoparium* and has been exported from New Zealand to the UK in substantial quantities;
- (iv) Manuka honey is believed to have beneficial health properties and commands a premium price as a result.

⁴ *TREAT Trade Mark* [1996] R.P.C. 281: "...the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the registrar to put the marks concerned on the register. ..."

33. Mr Hollingworth also submitted that the term MANUKA HONEY has been used by many commercial undertakings and that it is not capable of designating trade origin so as to be registrable as an ordinary trade mark. He accepted that many UK consumers:

- will have heard of MANUKA HONEY;
- are aware of its claimed medicinal qualities, and;
- some will be aware that some or all MANUKA HONEY comes from New Zealand whilst others may have a more general idea of it being from Australasia, with others having no knowledge of its geographical origin.

34. It is necessary to look at the relevant evidence that Mr Hollingworth relied upon to support his submission that whilst “mānuka” was originally a Māori word, it has been anglicised (by the removal of the macron) and forms part of the English language. He referred to numerous dictionary references for “manuka” where it is defined, variously, as:

- “An Australian and New Zealand tree (*Leptospermum*) of the myrtle family, with hard wood, its leaves formerly a substitute for tea [Māori]”;⁵
- “a small tree with aromatic leaves which are sometimes used for tea, native to New Zealand and Tasmania”;⁶
- Any of several Australasian trees and shrubs of the genus *leptospermum*, of the myrtle family, with a hard, dark close-grained wood and an aromatic leaf used as a substitute for tea; esp. *L. scoparium* of New Zealand and Tasmania;⁷
- An Australian and New Zealand tree (genus *Leptospermum*) of the myrtle family, with hard, close grained wood, and aromatic leaves formerly used as a substitute for tea [Māori];⁸
- A small tree with aromatic leaves which are sometimes used for tea, native to New Zealand and Tasmania;⁹

⁵ The Chambers English Dictionary (1989) provided at Exhibit JMB7

⁶ The Concise Oxford English Dictionary (2006) provided at Exhibit JMB7

⁷ The Shorter Oxford English Dictionary (2007) provided at Exhibit JMB7

⁸ The Chambers Dictionary (2014) provided at Exhibit JMB7

⁹ Oxford Dictionaries online (as at 5 June 2019) provided at Exhibit JMB7

- A name for several Australasian trees and shrubs of the genus *Leptospermum* (family *Myrtaceae*) ... c. Manuka of Tasmania (Tea tree);¹⁰

35. In addition, the following definitions for MANUKA HONEY were also referred to:

- Honey from the nectar of manuka flowers, thought to have medical qualities;¹¹
- A dark honey from the nectar of manuka flowers, esp. that from the flowers of the white manuka, reputed to have special medicinal or health-promoting qualities.¹²

36. Mr Hollingworth submitted that the appearance of these definitions in numerous dictionaries before the relevant date provide a very good indication that the words are descriptive in the English language and are perceived as such. We accept that these dictionary references are highly relevant but also keep in mind that we must also take account of other factors that cast light on how the relevant public perceive the term and that dictionary references alone do not, necessarily, equate to the relevant public understanding the meaning of the term. We also need to consider other factors such as whether the average consumer has been exposed to the term and, if so, to what extent. Also, it is also important to consider how the term is used and what impact this has upon the average consumer.

37. Mr Hollingworth submitted that the evidence illustrates that honey is typically presented to consumers in the format “[BRAND] [TYPE] Honey”. He pointed to the following examples provided in evidence¹³:

- Tesco Finest Acacia Honey;
- Rowse Squeezy Wildflower Honey;
- Hilltop Honey Squeezy Blossom Honey;
- Sainsbury’s Orange Blossom Honey;
- Littleover Clear Wildflower Honey;

¹⁰ Oxford English Dictionary (1989) provided at Exhibit JMB7

¹¹ The Chambers Dictionary (2014) provided at Exhibit JMB7

¹² Oxford Dictionaries online (as at 5 June 2019) provided at Exhibit JMB7

¹³ Exhibit JMB1 obtained from Tesco, Sainsbury’s and Waitrose online stores

- Waitrose Scottish Heather Honey;
- Rowse Lime Blossom Honey.

38. The evidence also has examples of MANUKA HONEY being sold where the same presentational format is used¹⁴:

- Rowse Manuka Honey 10+;
- Sainsbury's Manuka Honey;
- Wilkin & Sons Manuka Honey 10+;
- Steens Raw, Cold Pressed Manuka Honey 15+.

39. The evidence also illustrates that, online, MANUKA HONEY is arranged with other types of honey, for example, under the categorisation of "Food cupboard/Jam, honey & spreads/Honey/Manuka Honey"¹⁵. Mr Hollingworth also submitted that in physical stores MANUKA HONEY is typically stocked alongside other types of honey as shown in the photographic evidence¹⁶.

40. Ms Michaels submitted that the mark is inherently distinctive in the UK because it is capable of fulfilling the necessary function of distinguishing honey that is certified from honey that is not. This is because the word "Mānuka" is a Māori word and the UK average consumer would not consider it to be a "native" English word, which immediately provides a level of inherent distinctiveness. We dismiss this argument. It is clear from:

- the dictionary references provided by the opponents;
- the way the sign is used by placing it after the brand name and in the same position as descriptive terms are placed on the labels of other types of honey, and;
- the manner of use in the UK;

¹⁴ Ditto

¹⁵ See extract from Ocado's website at Exhibit JMB4

¹⁶ At Exhibit JMB2

that the term is readily understood by the relevant public as describing a variety of honey. As we have already noted, dictionary references do not always correspond to whether the average consumer will understand the term. However, in this case, when the dictionary references are considered together with the nature of the use, the relevant public are likely to perceive the descriptive meaning and not that the word is a Māori (or otherwise foreign) word. Much has been made of the presence or otherwise of the macron appearing above the first “a” and whether this will impact upon the understanding of the word and whether it will be perceived as a Māori word. We consider that presence or otherwise of the macron is likely to go unnoticed by the average member of the relevant UK public who is generally not familiar with the use of such symbols or their meaning or impact.

41. Ms Michaels made the point that nearly all the Manuka honey shown in the evidence as being sold in the UK is from New Zealand and that the UK consumer will understand that this is so. Whilst Mr Hollingworth accepted that most, or all, of the Manuka honey available in the UK comes from New Zealand, he submitted that very few of the labels emphasised their “New Zealand-ness”. He further pointed to the fact that Rowse packs around 85% - 90% of retail honey in the UK under its own label and as retailers’ own brand¹⁷. It has considerable sales of Manuka honey in the UK¹⁸ but none of its front labels shown in evidence¹⁹ appear to make any prominent reference to New Zealand.

42. In respect of the remaining brands identified in the evidence as having been sold in the UK²⁰, Mr Hollingworth submitted that none of these make any prominent reference to New Zealand. He submitted that it would not be obvious to purchasers that the Manuka honey was from New Zealand.

43. Ms Michaels attempted to address this point by drawing our attention to the finer details of some of the exhibits referred to by Mr Hollingworth. Many of the images contained in the various exhibits are not very clear and the smaller details on labels

¹⁷ See Mr Henigan’s first witness statement at para 52

¹⁸ Ditto at para 65,

¹⁹ At Exhibit CH1, pages 262 – 283 and 306 – 312

²⁰ See, for example, at para 27 of Mr Henigan’s first witness statement

etc are either very difficult to read or not discernible at all. However, with the assistance of Ms Michaels it was possible, under close scrutiny, to identify a number of labels making reference to New Zealand by use of words such as “New Zealand’s Finest”, “The nature of New Zealand”, “New Zealand honey” and “Product of New Zealand”. Ms Michaels submitted that this challenges Mr Hollingworth’s suggestion that it is far from obvious to purchasers that Manuka honey is from New Zealand.

44. Mr Hollingworth pointed out that legislation in the UK requires that the geographical location of honey products is shown on the labelling.²¹ We agree that some purchasers, upon close scrutiny, will identify that at least some Manuka honey labels indicate that the product originates in New Zealand. However, it is likely that many purchasers will not pay such close attention as to routinely identify the geographical origin of the product.

45. Mr Hollingworth proceeded to identify the evidence that illustrated Manuka honey available in the UK that was not from New Zealand:

- Medihoney Active + Manuka Honey sold in the UK through Sainsbury’s and Tesco pharmacies between 2002 and 2005 before being officially launched in 2005 that was promoted as “an exclusive blend of active *Leptospermum* species of honey including Manuka from Australia and New Zealand”.²² It appears that Medihoney Pty Ltd was sold to Comvita in 2007 and after that time the product used honey from New Zealand only
- Sainsbury’s Taste the Difference Manuka Honey sold between 2002 and 2006 was produced in Australia;²³
- Taverners Tasmanian Organic Manuka Honey was initially shipped to the UK in 2009²⁴ and was available on sanza.co.uk and at The Walkabout Bottle Shop;²⁵
- Tregothnan Manuka Honey has been produced and sold on The Tregothnan Estate in Cornwall since 2007 from bees feeding upon its *leptospermum*

²¹ See the Honey (England) Regulations 2015, Part 4, para 17 provided at Exhibit JMB16

²² See Dr McKee’s first witness statement, para 19 and Exhibits BM9 and BM13 and his second witness statement, para 13

²³ Dr McKee’s first witness statement at paras 28 and 30

²⁴ See Exhibits YB1 and YB2

²⁵ See Exhibit YB3

scoparium bushes. It is also available online and has been sold at the Chelsea Flower Show for the last 15 years as well as retailers such as Harvey Nichols and Fortnum and Mason²⁶.

46. This illustrates that Manuka honey originating from outside New Zealand has sporadically been available in the UK. However, there is no indication as to the scale of such use. Ms Michaels pointed out that (with the exception of what she characterised as “very small sales” from Tregothnan) there is no evidence of sales in the UK of these products beyond 2009, some 6 years before the relevant date and that it is not clear from the evidence that the Medihoney and Sainsbury’s products lack indications regarding geographical origin and, therefore, they fail to impact upon the education of the relevant consumer to show that they do not come from New Zealand. Ms Michaels concluded by suggesting that the use referred to by Mr Hollingworth was only very small and insufficient to educate the consumer that Manuka honey comes from Australia but, rather, there is sufficient evidence that use has been such to inform the UK consumer that it originates from New Zealand. We agree with the first of these points. This evidence does little to support the opponents’ position that, at the relevant date, Manuka honey originated from Australia. However, this is not fatal to its case because of our finding that the applicant’s evidence has failed to show that the relevant consumer will expect Manuka honey to originate from New Zealand.

47. In respect of references to MANUKA HONEY in the UK press, Mr Hollingworth drew our attention to the following press articles to support his submission that there is no consistent “New Zealand messaging”:

- The News of the World (15 August 2004)²⁷, The Daily Telegraph (13 April 2011)²⁸, The Sunday Times (4 August 2013)²⁹, The Times (26 August 2013)³⁰, The Daily Telegraph (1 July 2014)³¹, The Guardian (18 May 2009)³² and Daily

²⁶ See Mr Jones’ witness statement, paragraphs 7 – 9 and Exhibits JGJ2 and JGJ3

²⁷ Exhibit JMB9, page 1

²⁸ Ditto, page 2

²⁹ Ditto, page 6

³⁰ Ditto, page 10

³¹ Ditto, page 11

³² Exhibit JGJ2, page 6

Record (21 May 2009)³³ all refer to Manuka honey being produced in New Zealand and Australia or refers to Manuka bushes normally being found in New Zealand or Australia;

- The Sunday Times (25 August 2013)³⁴, The Grocer (2 May 2015)³⁵ and The Times (18 January 2010)³⁶ refer to New Zealand being the primary (rather than only) supplier of Manuka honey;
- The Herald from Glasgow (31 December 2012)³⁷ refers only to Australia when discussing Manuka honey;
- Further articles that make no reference to the geographical origin of Manuka honey.

48. This is further reinforced by the UK Food Standards Agency (“the FSA”) project, unrelated to these proceedings, that was conducted in March 2016. This was carried out to better understand the consumer perception of Manuka honey. The consequent report is provided³⁸. The relevant date in these proceedings is 18 August 2015 and Mr Hollingworth submitted that there is no reason why the consumers’ perception would be materially different at these two dates but even if it was different this would be because the consumer had become more aware of Manuka honey and its properties by the later date and, therefore, be to the benefit of the applicant. We agree with Mr Hollingworth on this point.

49. The project involved 2500 adults in the UK and one of its stated aims was “Awareness of Manuka honey and whether people think about it differently to other types of honey”. Mr Hollingworth submitted that the following conclusions of the project are pertinent to the case before us:

- Only 56% of respondents had heard of Manuka honey (that increased to 62% after further information was provided);³⁹

³³ Ditto, page 10

³⁴ Exhibit JMB9, page 8

³⁵ Ditto, page 13

³⁶ Exhibit JGJ2, page 19

³⁷ Exhibit JMB9, page 3

³⁸ At Exhibit JMB18

³⁹ Ditto page 9 and 10 of the slides shown

- The FSA characterised Manuka honey as one of a number of types of honey that also includes Acacia, Heather, Wildflower, Blended and Chestnut;⁴⁰
- “Further information” provided to respondents after questions about what type of honey they had heard of, explained that “Manuka honey is a honey sourced mainly from New Zealand or Australia”;⁴¹
- 64% of those aware of Manuka honey either did not think or did not know if Manuka was different from other honey;⁴²
- The FSA concluded that a reasonable number of consumers were aware of manuka honey “they weren’t fully aware that it was any different to other honey with only a fifth believing that manuka had something health benefit [sic] although there was no consensus as to what these benefits are” and “Some consumers have a vague idea that manuka honey has some health benefits but again there is no agreed consensus of what these benefits are”.⁴³

50. Mr Hollingworth submitted that, despite undertaking surveillance activity to understand the types of Manuka honey sold in the UK, the FSA itself thought that “Manuka honey is a honey sourced mainly from New Zealand or Australia”, therefore, the FSA had not been educated that Manuka honey comes exclusively from New Zealand consequently there is “no chance” that the consumer has such an understanding.

51. Ms Michaels submitted that the conclusions of the FSA report need to be seen in context and that the FSA was concerned with labelling practice. We note these criticisms, but they do not mask the fact that a reasonably large sample of the UK public were engaged with the project and that 64% did not realise that Manuka honey was different to other honeys. Such a finding supports the opponents’ position that the relevant public (or at least a sizeable proportion of such) do not have a detailed knowledge of Manuka honey or its geographical origin.

⁴⁰ Ditto

⁴¹ Ditto, page 9

⁴² Ditto, page 12

⁴³ Ditto, paras 14 and 17 on page 5

52. Mr Hollingworth submitted that there are several reasons why the UK consumer does not have a clear understanding of what is meant by the term MANUKA HONEY. Firstly, there is no agreed definition for Manuka honey. He directed us to evidence⁴⁴ that there has been a debate in both New Zealand and the UK regarding this issue. An article that appeared in The Grocer on 28 June 2014 notes that there is a “lack of an official definition as to what constitutes a manuka honey” and that “the current state of the UK market for active honey is very confusing for the consumer”.⁴⁵ Further, a New Zealand press article, from just before the relevant date, put in evidence⁴⁶ by the applicant notes that “the country’s beekeepers have been unable to agree how to define the high-margin product” and that “the lack of an industry-wide definition of manuka honey is part of the problem. The debate has raged for more than a decade ...”⁴⁷

53. The New Zealand government has adopted a standard applicable to honey to be exported from New Zealand⁴⁸ and it is this that is referred to in the contested mark’s regulations. These regulations would exclude producers of Manuka honey from the north of New Zealand from using the term MANUKA HONEY because of the chemical make-up of the product.⁴⁹ Mr Rawcliffe and Mr Stephens both comment that the test will evolve and be revised over time.⁵⁰ Mr Hollingworth submits that this illustrates that the consumer cannot be expected to know what is properly to be regarded as Manuka honey. We consider that the uncertainty surrounding a consistent definition of Manuka honey will add to the consumers’ lack of understanding regarding the product.

54. Secondly, Mr Hollingworth pointed to the evidence that “honey fraud” has been a problem⁵¹ where more New Zealand Manuka honey is on the market than is being produced. He submitted that this adds to consumer confusion about what was regarded as real Manuka honey. He argued that for the applicant to cite this honey fraud as a reason for needing its certification mark “puts the cart before the horse” and

⁴⁴ See Mr Henigan’s first witness statement, paras 14 - 18

⁴⁵ See Exhibit CH1, page 108

⁴⁶ See Exhibit JR-3, page 140

⁴⁷ Exhibit JR-3, page 140

⁴⁸ Exhibit CH1, page 38

⁴⁹ Exhibit CH1, pages 313 - 317

⁵⁰ Mr Rawcliffe’s first witness statement, paras 84 – 90 and Mr Stephens’ first witness statement, para 88

⁵¹ See press articles at Exhibit JMB9, pages 8 - 17

the issue is an entirely different question to whether there should be a definition for Manuka honey and whether the applicant should be entitled to police it in the UK and enforce its own definition. It is not particularly surprising that “honey fraud” takes place because of the high value of Manuka honey relative to other honeys and we accept that action may be necessary to curb such activity but we agree with Mr Hollingworth that “honey fraud” is likely to further affect the relevant consumer’s perception of what Manuka honey is.

55. Finally, Mr Hollingworth notes that the policy underlying section 3(1)(c) is to keep descriptive designations free for use by others and that it is not necessary that the sign actually be in use but it is sufficient that a sign may be used for such purposes⁵². He argued that, therefore, it is of no relevance how many competitors have, or might have, an interest in the sign but that, nevertheless, the evidence does show that there are numerous undertakings that use, or may wish to use, the sign. Mr Hollingworth pointed to:

- Tregothnan Estate that has been supplying Manuka honey since 2007;
- New Zealand producers whose honey does not meet the standards that the applicant intends to apply. The concerns of numerous producers from the north of New Zealand were noted in a New Zealand press article⁵³ because they would be excluded from exporting their honey as “Manuka honey” under the regulations;
- A number of New Zealand honey producers who use “Manuka” in their brand name that is used when selling non-Manuka honeys;⁵⁴
- The numerous undertakings that use Manuka honey as an ingredient;
- Many Australian honey producers who would be precluded from using the term even in respect of honey that has materially the same composition, qualities and health properties as New Zealand Manuka honey.⁵⁵

⁵² *Agencja Wydawnicza Technopol*, paras 38/39

⁵³ See Exhibit CH1, pages 313 - 317

⁵⁴ For example, clover honey sold under the name “Manuka Doctor” (Exhibit LMH9, page 17), multi-floral honey sold under the brand name “Kiwi Manuka” (Exhibit LMH9, page 19), clover honey sold under the brand name “Manuka Health” (Exhibit LMH9, page 19)

⁵⁵ Mr Hollingworth identified Hives and Wellness Australia Pty that has a strategic objective to return to the UK market to sell Australian manuka honey products (Dr McKee’s witness statement, para 32), Blue Hills that has been selling manuka honey in Australia since 2008 and its honey has been tested

56. Mr Hollingworth pointed out that, in the UK, “Manuka” is used to describe a type of honey without reference to geographic origin⁵⁶ and that the Trading Standards Authority has approved the label used by Tregothnan Trading for its Cornish Manuka honey.⁵⁷ Mr Hollingworth asserted that this illustrates that such uses or potential uses of MANUKA HONEY would be permissible under the laws of the UK. We note this but also recognise that we are considering whether the term MANUKA HONEY is acceptable under section 3(1) of the Trade Mark Act 1994 and not its compatibility to requirements set under other parts of the Act or other UK laws.

57. Mr Hollingworth concluded by submitting that both MANUKA and HONEY are descriptive and also that these two words combine to make a descriptive term and that by the relevant date the word “Manuka” had entered the English language. He submitted that even if he was wrong on this last point, a single undertaking should not be entitled to monopolise a descriptive term of a type of food that is known in a different country taking account of the international nature of the food industry and identified support for this view from the Appointed Person⁵⁸. We note this but envisage that a certification mark may, in certain circumstances, be owned by a single undertaking where, for example, all the producers of the product are able to use the certification mark as was the position in the *Stilton* case. Therefore, Mr Hollingworth’s submission is fact dependent and we keep it in mind when considering all the facts of the current case.

58. We find that the term MANUKA HONEY is not inherently capable of indicating honey that is certified from honey that is not certified for the following reasons:

- Previous use of MANUKA HONEY has not been in respect of only honey of the type that certification is applied for (unlike in the *STILTON* case);

and has passed the requirements for manuka honey set by the New Zealand government (see Ms Charles’ first witness statement, paras 10 – 14), Taverners Tasmanian Organic Manuka Honey, Berringa Manuka Honey, an Australian manuka honey product available in the UK through Ocado (Exhibit JMB4, pages 1 – 4), Nature’s Gold Manuka Honey (Exhibit LMH7, pages 1 – 3), AB’s Honey Manuka Honey (Exhibit LMH7, page 4) and Honey Tasmania’s Manuka Honey Exhibit LMH7, pages 5 – 6)

⁵⁶ Consistent with Schedule 1 of the Honey (England) Regulations 2015, paras 4(a) and 4(f) as provided in Exhibit JMB16, pages 3 - 4

⁵⁷ Mr Jones’ first witness statement, para 15

⁵⁸ In *BEST MANGAL* Trade Mark, BL O-224-16, para 8

- There is nothing in the presentation of the sign that suggests “certification-ness” (to use the words of Mr Hollingworth) to the relevant public;
- The combination of the dictionary definitions, the manner of the use and the way in which MANUKA HONEY is presented to the relevant public is very likely to lead to it being perceived, by at least a large proportion of the relevant public, as a purely descriptive term designating a type of honey;
- The word “Manuka” is based on the Māori word “mānuka” (with a macron) but this has not prevented it from, as in this case, entering the English language as a descriptive word;
- Whilst the vast majority of Manuka honey sold in the UK appears to be from New Zealand and this is indicated on the packaging (but mostly not in a prominent way), there is nothing in the evidence to indicate that relevant public will understand that it exclusively originates from New Zealand. On the contrary, there is evidence from dictionaries, the FSA project and from press articles that all suggest that the public understanding of the term in the UK is that it describes honey from New Zealand and other geographical locations, in particular, Australia.

59. An application to register the same certification mark for *honey* was refused by the EUIPO⁵⁹. The most relevant findings in that refusal letter are:

“The Office agrees with the applicant that the term comes from Maori, but it is used in English, as are thousands of other terms borrowed from many other languages and incorporated into English. In addition, the same or similar plant can have different names that are understood by the relevant public”

“...the term “Manuka Honey” would be perfectly understandable by the relevant public within the concrete market, as it provides the consumer with direct and specific information about the product. The fact that the same product may have different names does not prevent the relevant consumers from understanding it.”

⁵⁹ At Exhibit CH2, page 47

“...when a sign contains information about the characteristics of the goods or services in relation to which it is to be used, it may nonetheless qualify for registration if that information is presented in an original or imaginative manner. There are several linguistic and stylistic techniques by which a descriptive message can be clothed in distinctiveness: unusual syntax, alteration, rhyme, paradox, a play on words and so forth. No such technique appears in the sign”

“Given that the mark has a clear descriptive meaning in relation to the goods for which certification is sought, the impact of the mark on the relevant public will be primarily descriptive in nature, thus eclipsing any other function, including certification of goods. The Office cannot grant an exclusive right to use a commonly used expression (as indicated in the dictionary entries), without any alteration, to one market operator. This applies both to individual and to certification marks. Even if, due to its specific function, the certification mark can give information on the characteristic it certifies, it cannot be exclusively descriptive of a characteristic of the goods it aims to certify.”

“...the certification mark at issue possesses no inherent distinctiveness as it has proved to be a merely descriptive expression, with no alteration of its plain meaning.”

60. Whilst we are not bound by decisions of the EUIPO, on this occasion, weighing up the various submissions of the parties and the evidence before us, we believe our finding is fully aligned with the EUIPO decision.

61. In summary, we find that the sign MANUKA HONEY inherently designates a type of honey and is not capable of identifying honey that is certified from honey that is not certified. Therefore, it is necessary to consider whether the mark MANUKA HONEY has acquired distinctive character through use and whether such use has come to guarantee to consumers that goods sold under the mark MANUKA HONEY certify honey from other honey that is not so certified.

Acquired distinctive character

62. The proviso to Section 3(1) of the Act states:

“Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”.

63. The Court of Justice of the European Union provided guidance in *Windsurfing Chiemsee*, Joined cases C-108 & C-109/97, about the correct approach in regard to the assessment of the acquisition of distinctive character through use. The guidance is as follows:

“51. In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.

52. If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied. However, the circumstances in which that requirement may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data such as predetermined percentages.

53. As regards the method to be used to assess the distinctive character of a mark in respect of which registration is applied for, Community law does not preclude the competent authority, where it has particular difficulty in that connection, from having recourse, under the conditions laid down by its own

national law, to an opinion poll as guidance for its judgment (see, to that effect, Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraph 37).”

64. Mr Hollingworth characterised the applicant’s case as depending upon having educated consumers that MANUKA HONEY can be relied upon as a guarantee of certification. He submitted that there has been no consistent promotion of the mark in order to signify, what he characterised as “officialness” as opposed to merely a type of honey, or even designating particular and identifiable characteristics. He asserted that there has been no use of the designation as a certification mark, such that it comes to guarantee to consumers that the product has been certified. He submitted that there is little in the evidence to show how the opponents or its members have promoted the mark in the UK.

65. Ms Michaels submitted that as a result of the extensive use made of the mark over many years in the UK, the mark has acquired distinctive character in the UK prior to the relevant date. She pointed to the “large volume of evidence” filed by the applicant that demonstrates that the term MANUKA HONEY has been used on a substantial scale and for many years prior to the relevant date and that the “New Zealand-ness” of the products is clearly promoted. This evidence includes:

- Manuka honey has been retailed in the UK in dedicated retail outlets, through distributors such as chemists, health-store chains or supermarkets and sales have shifted into the contemporary healthcare field;⁶⁰
- In the last full five years before the relevant date, over 36,000 tonnes of New Zealand honey was exported (in total, not just the UK) and about 80% of this was Manuka honey;⁶¹
- There are statements from Mr Rawcliffe that Manuka honey has been carefully promoted as being a distinctive product of New Zealand⁶² with many traders have established websites which are specifically aimed at the local

⁶⁰ Mr Rawcliffe’s first witness statement, para 102

⁶¹ Ditto, para 104 and 105

⁶² Ditto, para 111

populations and which emphasis the New Zealand origin of Manuka honey.⁶³ A number of examples of web pages are provided⁶⁴ but the small print size of the extracts makes it very difficult to identify such references but some are visible and Ms Michael's took us to some using the original copy of the evidence. We note these appear to all be from New Zealand web sites with ".co.nz" top level domain names or provide New Zealand contact details;

- Jars of Manuka honey are shown⁶⁵ where the words "New Zealand honey" appear under the word "MANUKA" on the front of the label and others show labels of Manuka honey where "Product of New Zealand" appears in small print on the bottom of the label;
- Copies of labels for honey from SummerGlow Apiaries are provided⁶⁶ and apparently date from 1995, 1998 and 2002 – 2019. After 1998, the labels reference to being a "Product of New Zealand appears in small print on the back of the label. A further undated label refers to "100% PURE NZ";
- A number of scientific papers regarding the health benefits of Manuka honey described by Mr Rawcliffe as "pivotal to creating reputation of Manuka Honey in the UK"⁶⁷ including one by researchers in Wales;
- Mr Rawcliffe also provided copies of articles from BBC News, The Times, The Daily Mail, The Telegraph, the Express and several others from the period 2004 to the relevant date and beyond⁶⁸ all making reference to Manuka honey coming from New Zealand;
- Mr Rawcliffe also provided⁶⁹ numerous customer reviews where it is mentioned that Manuka honey comes from New Zealand or that the Manuka bush is indigenous to New Zealand;
- Mr Ali comments upon the presence of Manuka honey on the UK market and conducts an analysis of the opponents' evidence.⁷⁰ He points to about 25 brands of Manuka honey present on the UK market and most of the examples shown in the opponents' Exhibit CH1 appear to be from New Zealand;

⁶³ Mr Rawcliffe's first witness statement, para 112

⁶⁴ At Exhibit JR4

⁶⁵ Ditto

⁶⁶ Ditto

⁶⁷ Mr Rawcliffe's first witness statement, para 117

⁶⁸ Exhibit JR4

⁶⁹ Ditto

⁷⁰ See his witness statement

- Mr Wright also provides evidence in respect of sales and promotion of Manuka honey in the UK by Comvita.⁷¹ He states that:
 - Comvita has continuously offered Manuka honey for sale in the UK since 1988 and this has all been sourced from New Zealand with net UK sales varying between NZ\$2.7 million and NZ\$8.8 million in the six years up to and including 2014 (including products that include Manuka honey such as cough elixirs);
 - Comvita has conducted its business, in part, through a UK website since 2007 and in the period 2006 to 18 August 2015 received nearly 330,000 “sessions”;
 - Mr Wright provides examples of promotional material⁷² that references the New Zealand origin of its Manuka honey;
 - Selected posts by Comvita UK on its Facebook page are provided⁷³. These discuss or comment on the health benefits of Manuka honey. Only one makes reference to New Zealand (by way of use of “#NewZealand”);
- Ms Bennett also provides information regarding sales and promotion of SummerGlow Manuka honey in the UK.⁷⁴ SummerGlow have provided Manuka honey in the UK since 1996. The accompanying evidence appears to show mail orders being placed with the company, one payed in NZ\$ and another shows a mail order form with a price in NZ\$ even though the cheque was written in pounds sterling. Another is an email entitled “Manuka Honey to UK” that also suggests that the UK consumer dealt directly with SummerGlow in New Zealand. All these are small orders placed directly by consumers;
- Ms Bennett provides the name of a UK distributor from 2000 to 2003 that sold SummerGlow Manuka honey through the website manukahoney.co.uk and an email from August 2001⁷⁵ shows sales to the UK distributor over nearly NZ\$17,000 in July 2001 and over NZ\$19,000 in August 2001;
- Sales volumes are provided in respect of SummerGlow Manuka honey between 1995 and 2015. No sales are recorded for the years 2004 to 2011

⁷¹ See his witness statement, para 18 onwards

⁷² At Exhibit TDW, pages 38 - 43

⁷³ Ditto, pages 50 - 59

⁷⁴ See her witness statement, para 11 - 16

⁷⁵ Page 20, Exhibit MB

and 2014. For the three years 2012, 2013 and 2015 total sales amounted to 520kg;⁷⁶

- Mr Goldsmith offers his opinion⁷⁷ that the UK consumer will recognise the Māori word “Manuka” as having an inherent connection with New Zealand and will recognise Manuka honey as the name for a special type of honey produced in New Zealand;
- Finally, Ms Michaels relied upon the FSA’s finding that 56-64% of the UK public had heard of Manuka honey easily sufficient to prove distinctive character.

66. When considering this evidence of press references to Manuka honey with the evidence of press references put forward by the opponents (see paragraph 46), it is clear to us that there is a mixed picture of the level of understanding in the UK of what Manuka honey. Further, we do not agree with Ms Michaels’ conclusion regarding the FSA report for the reasons already set out at paragraphs 48 – 50, above. In respect of the findings that 56 – 64% of the UK public had heard of Manuka honey, we disagree that this proves distinctiveness because the fact is equally consistent with a finding that 56 – 64% of the UK public had heard of a type of product called Manuka honey.

67. Ms Michaels submitted that the opponents’ evidence showed use of third parties using MANUKA HONEY in the UK and that this use shows great emphasis placed upon the New Zealand origin. We have discussed these earlier and accept that phrases such as “New Zealand’s Finest”, “From New Zealand” and “Nelson’s Honey, New Zealand” are direct references to the geographical origin, however, many others^{78 79} were pastoral images that the relevant consumer would not identify solely with New Zealand. We conclude that, with a few exceptions, this evidence fails to demonstrate that there is a strong “New Zealand-ness” message when Manuka honey is promoted in the UK and this appears to feed through to the public perception as exemplified by many of the UK press articles. Further, an indication of

⁷⁶ Ms Bennett’s witness statement, para 14

⁷⁷ At paras 14 – 16 of his witness statement

⁷⁸ Mr Wright in his witness statement, para 23 where he claimed that Comvita’s website is “dominated by New Zealand imagery”

⁷⁹ Exhibit, pages 35 – 38 showing extracts from comvita.co.uk

New Zealand being the geographical origin of the Manuka honey does not, of course, illustrate that the consumer is aware of this and, as the FSA report showed, a good proportion do not know this and the FSA itself appeared not to know. With all this in mind, even significant use in the UK of the term MANUKA HONEY is insufficient to educate the UK public that the term MANUKA HONEY serves to indicate honey that is certified from honey that is not.

68. Ms Michaels also addressed the evidence relied upon by the opponents regarding Manuka honey other than from New Zealand that has been available in the UK. We detailed this evidence earlier. It was Ms Michaels' submission that such use was on a "tiny scale" and commercially insignificant. We acknowledge that such claimed use is very small when viewed in the context of the obvious size of the market and is unlikely to have any significant impact upon the relevant public. However, the evidence does show that the extensive use referred to by Ms Michaels was in a form referred to by Mr Hollingworth, namely, "[Brand] [Type] *Honey*". The use shown is consistently "[Brand] *Manuka Honey*". Therefore, as submitted by Mr Hollingworth, such use does not educate the relevant public that the term MANUKA HONEY identifies honey that is certified from honey that is not. Rather it's use is in such a way as to designate honey from bees that feed on the flower of the Manuka plant.

69. In addition, the evidence illustrates that the Manuka plant grows naturally outside of New Zealand and at least in Tasmania. Further, there is also evidence of honey being produced from Manuka plants in Cornwall. Keeping in mind the policy objective behind section 3(1)(c) of the Act that descriptive signs relating to one or more characteristics of the goods in respect of which registration as a mark is sought may be freely used by all traders offering such goods, it is clear to us that even with the majority of Manuka honey sold in the UK being from New Zealand, it would be contrary to this policy objective if the applicant was permitted to monopolise the sign only for certain New Zealand producers. This, combined with the nature of the use relied upon, and the evidence that at least a substantial part of the relevant consumer perceive the sign only as designating a type of honey, we conclude that the sign MANUKA HONEY does not benefit from an acquired meaning or distinctive character beyond its descriptive message.

70. At the relevant date in 2015, the term MANUKA HONEY was functioning to describe a type of honey and the way the term was used was consistent with this. There was no clear message either in the way the term MANUKA HONEY was used or marketed to dispel the clear descriptive message that the term is inherently endowed with.

71. In light of the above, the opponents are successful in respect of its ground based upon section 3(1)(c) of the Act.

Section 3(1)(b)

72. As stated in *Starbucks (HK) Ltd v British Sky Broadcasting Group plc* (at para 46) descriptive signs are also devoid of any distinctive character. It, therefore, follows that to the extent that the opponents have succeeded, they must also succeed based upon its section 3(1)(b) grounds.

73. In addition, the opponents make no independent claim as to why the mark is non- distinctive other than because it is claimed to be a descriptive name for a type of honey. This also points to there being no need to consider the section 3(1)(b) ground separately to the section 3(1)(c) ground (see the comments of Anna Carboni, sitting as the Appointed Person in O-363-09 *COMBI STEAM Trade Mark*).

74. Therefore, whilst recognising that section 3(1)(b) and section 3(1)(c) are independent of each other, the circumstances in this case are such that it is not necessary for us to consider separately the ground based upon section 3(1)(b)

75. We conclude that the ground based upon section 3(1)(b) succeeds.

Section 5(4)(a)

76. The opponents have been very clear in explaining that their primary position is that the mark MANUKA HONEY is not vested with any distinctive character and should be refused under section 3(1) of the Act. However, it wishes to rely upon a claim under

section 5(4)(a) as a fallback for circumstances where the applicant's mark is found to be distinctive. That is not the case and, therefore, there is no need to consider this fallback position.

Section 3(6)

77. Section 3(6) states:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

78. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]".

79. According to *Alexander Trade Mark*, BL O/036/18, the key questions for determination in a claim of bad faith are:

- (a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?
- (b) Was that an objective for the purposes of which the contested application could not be properly filed? and
- (c) Was it established that the contested application was filed in pursuit of that objective?

80. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

81. The two opponents' claims that are still in play are:

- (i) that the contested mark is based upon a prior New Zealand mark owned by UMF and assigned to the applicant on 5 May 2016. The opponents asserts that UMF is an independent company that was not entitled to apply for a certification mark because it did not meet the requirements of paragraph 4 of Schedule 2 of the Act and, as a result, it was an act of bad faith to apply for a certification mark when it was not possible for it to obtain it.
- (ii) In the alternative, the opponents assert that, at the date of application, UMF had no intention to use the MANUKA HONEY mark because it intended to assign the mark to the applicant.

82. As a reminder, Mr Rawcliffe was cross-examined on the following issues relevant to the claim of bad faith:

- (i) What Mr Rawcliffe knew (at the relevant date) regarding the legal conditions relating to certification marks, in particular, those contained in Schedule 2 of the Trade Marks Act;
- (ii) Whether UMF had an intention to genuinely use the mark and whether there was an intention (at the relevant date) for the mark to be used in a form different to how it was applied for (such that the mark in use will differ from the mark applied for);

83. The following relevant points arise from the cross-examination:

- Mr Rawcliffe confirmed⁸⁰ that UMF were the proprietor of an ordinary national mark in New Zealand for “UMF”.⁸¹ He also confirmed that it was not a certification mark but it was licensed out to traders who produced honey according to certain standards set out in the licence agreement;⁸²
- Mr Rawcliffe’s evidence⁸³ shows the mark UNIQUE MANUKA FACTOR (and device) and a statement relating to the year 1997 states that there was a “quality trademark” being developed. When asked why UMF did not register it as a certification mark he answered that:

“the Association was not set up to do the task of that. We have a membership that represents 65-75% of the industry. We did not represent all of the industry or all of the industry interest. We knew that [UMF] was not the correct body to register and to act on the certification mark.”⁸⁴

- Mr Rawcliffe confirmed that when UMF applied for the contested certification mark he knew that it was not the correct body to apply for it⁸⁵ because it did not represent the full, industry nor other industry bodies, particularly Māori or other interested parties.⁸⁶ He stated further that:

“We knew from the beginning, when we decided to launch and look towards the certification mark, that the guardianship, the ownership and the rights should be within all of New Zealand”⁸⁷

- Mr Rawcliffe confirmed that the decision to create the applicant was taken before the UMF filed for the certification mark in New Zealand on 18 August 2015⁸⁸ but Mr Moss pointed out that there is no documentation in evidence to

⁸⁰ At page 20 of the transcript

⁸¹ As stated at para 36 of his witness statement

⁸² Transcript, page 24

⁸³ Page 1/46 of Exhibit JR-1

⁸⁴ Transcript, page 26

⁸⁵ Ditto

⁸⁶ Ditto, page 27

⁸⁷ Ditto, pages 28/29

⁸⁸ Ditto, page 29

support this.⁸⁹ Mr Rawcliffe accepted this and further explained that it took time to create the applicant entity because of the time to communicate to, and bring the industry together⁹⁰.

- Mr Rawcliffe stated that there is a deed of undertaking between the applicant and the Manuka Charitable Trust⁹¹ that includes a call option upon the transfer of the contested mark which means the Trust can have the mark assigned to them.⁹² The Manuka Charitable Trust represent the indigenous people of New Zealand and Mr Rawcliffe stated:

“they are the Kaitiaki they are the indigenous people of New Zealand they have under our treaty the rights to this taonga as guardians for all, that is part of our constitution”⁹³

Mr Rawcliffe confirmed that, at the relevant date, UMF did not have these rights (to own Māori property)⁹⁴ and knew that the mark *“needed to go to another body in the first case [the applicant]”*.⁹⁵

- Mr Rawcliffe repeatedly denied that the absence of documentation in his evidence to support his statements that, at the time of filing, UMF intended to transfer the mark to the applicant was a deliberate attempt to conceal this⁹⁶ but rather, he explained that arrangements needed time to sort out.
- Mr Rawcliffe confirmed that it is correct that the intention is that the Manuka Charitable Trust will be the company ultimately in control of the certification mark (if granted).⁹⁷
- Mr Rawcliffe stated that the term MANUKA is within the Treaty of Waitangi and MANUKA HONEY is recognised within various treaty settlements relating to the

⁸⁹ Ditto, page 30

⁹⁰ Ditto, page 31

⁹¹ Ditto, page 34

⁹² Ditto, page 35

⁹³ Ditto, page 36

⁹⁴ Ditto, page 37

⁹⁵ Ditto, page 38

⁹⁶ See for example, the transcript, pages 41, 43

⁹⁷ Transcript, page 46

protection of Māori cultural property⁹⁸ and that UMF is not a Māori organisation now or at the relevant date in these proceedings.⁹⁹

First Limb: UMF could not apply for a certification mark because they do not meet the requirements of Paragraph 4 of Schedule 2 of the Act

84. Paragraph 4 of Schedule 2 states that a certification mark shall not be registered if the proprietor carries on a business involving the supply of goods of the kind certified. Mr Moss submitted that the first limb of bad faith is that UMF was a commercial entity and, therefore, is caught by this provision.

85. Mr Moss pointed out that Mr Rawcliffe stated¹⁰⁰ that he is involved in UMF activity in compliance testing of third-party honey produced under the designation MANUKA HONEY. Mr Moss submitted that because UMF were clearly involved in testing that it is also clear that its rationale in going ahead with the filing of the contested mark was to benefit from it in some way because they knew there would have to be testing. Mr Moss concludes that UMF possibly sought to register the mark for their own commercial gain

86. Following the cross examination of Mr Rawcliffe, Mr Moss conceded that in light of the evidence elicited during the cross examination of Mr Rawcliffe that UMF never had the intention to actually use the mark that, if we accept his admission, then the bad faith case falls to be decided under the second limb. There was nothing in Mr Rawcliffe's oral evidence that suggests to us that he was being untruthful and Mr Moss has also stated the same (restricting his criticism to his claimed lack of candour). In short, we accept Mr Rawcliffe's comments under oath illustrate that UMF knew at the time of filing that it would not use the mark but rather, it would seek to create an appropriate body to do so. As Mr Moss indicated, this defeats this limb of the opponents' bad faith case.

⁹⁸ Ditto, page 52

⁹⁹ Ditto

¹⁰⁰ At para 45 of his first witness statement

87. Nevertheless, we also comment briefly on the original underlying case. As Ms Michaels pointed out UMF did not carry on business involving the supply of honey at the relevant date but rather, it was (and still is) a trade body, not a trader. Its income is derived from licence fees for use of its UMF trade marks to indicate the meeting of its quality standards¹⁰¹. Further, Ms Michael's also pointed us towards the opponents' own evidence that UMF is an industry body promoting and protecting honey producers¹⁰². We agree with this submission. On the evidence, UMF was (and is) not involved in the supply of honey and, therefore, we see no reason why it should be debarred by the requirements of section 32(3) from holding a certification mark. Consequently, even before Mr Rawcliffe's admission when giving oral evidence, we would have found in favour of the applicant in respect of this limb of the bad faith claim.

Second Limb: At the date of application UMF had no intention to use the mark because it always intended to assign it to the applicant

88. The opponents' case is that there was no genuine intention to use the certification mark at the date of application and at best, its intention was to assign it to a third party, namely, the applicant. As Mr Moss drew attention to, it has also emerged that UMF knew at the time of the filing that they were not the right entity to apply for the certification mark. He submitted that any party that knows they are not the party who should be applying for a mark is acting in bad faith.

89. Mr Moss submitted that this amounted to bad faith:

- (i) in respect to the other users and in particular the entity who is or may be the proper party, and;
- (ii) on the Registry

90. In the former case, Mr Moss submitted that this is a paradigm example of cultural appropriation. In the latter case, this is because the Registry is being asked to deal

¹⁰¹ See Mr Rawcliffe's first witness statement, paras 11-12, 34-35 and 44

¹⁰² See Mr Henigan's first witness statement, paras 41-50

with a trade mark application which has been filed by someone who knows it is not for them.

91. Mr Moss also submitted that to benefit from the earlier filing date obtained whilst sorting out the creation of the applicant resulting in trumping anyone who attempted to file in the interim would also be an instance of bad faith. This advantage is gained whilst knowing that UMF was not entitled to the mark. Mr Moss claimed that third parties are harmed when an earlier date is improperly obtained.

92. Ms Michaels noted that registration of a trade mark by an applicant without any intention to use it nor any intention that it should be used with its consent *may* constitute bad faith¹⁰³. She went on to submit that the purpose of such guidance is to prevent the filing of marks with the purpose of blocking use by others and argued that the current case does not fall into this category. Ms Michael's characterised the filing of the contested application as a "stop-gap" whilst steps were taken to set up the applicant and that UMF's intention was always for the applicant to be the owner. She submitted that this does not amount to bad faith for the following reasons:

- (i) there is no requirement that an applicant use the mark themselves. It is sufficient that they intend to consent to its use. UMF had a *bona fide* intention that the mark would be used;
- (ii) the assignment to the applicant from UMF qualifies the use by the applicant as use with the consent of UMF.

93. In considering these defences, we keep in mind the relevance of section 32(3) of the Act:

"The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used."

¹⁰³ *Sky v Skykick*, CJEU, Case C-371/18

94. In respect of the first of Ms Michaels' reasons, she relied upon the findings in *IWATCH Trade Mark*¹⁰⁴ where it was found that the applicant filed for the mark with the intention of granting consent to another connected company and later transferring it. The Hearing Officer in that case found that such a practice was a prudent and commercially acceptable purpose and concluded the application was not made in bad faith.

95. Mr Moss gave three reasons why the current case is not on all-fours with the *IWATCH* case, namely:

- There was no cross examination so there was no subjective evidence that we have in the current case;
- *IWATCH* was a decision very much on the facts;
- Unlike in the circumstances in the *IWATCH* case, the applicant did not exist at the time UMF applied for the mark. He added that you cannot consent to future use to a body that does not exist.

96. We agree with Mr Moss that these are differences between the *iWATCH* case and the current case. However, we do not agree with regard to the impact of these differences. In respect of the cross examination, this is something we have in this case and Mr Rawcliffe made it clear that it was the intention of UMF, at the relevant date, that a body be created to hold the contested certification mark. Whilst this creates a difference to the facts in the *IWATCH* it, nonetheless, demonstrates that the UMF had in mind a mechanism by which the mark would be used, even if such use was not to be by UMF itself. This does not point to a bad faith purpose to the application.

97. We keep in mind that evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date.¹⁰⁵ With this in mind, we consider it correct and appropriate to take account of Mr Rawcliffe's evidence that UMF had an intention to undertake work to set up a body that would utilise the

¹⁰⁴ O-412-16 at [67]-[69]. See the same points and result in O-307-16 at [122]-[127]

¹⁰⁵ *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16)

contested mark for the benefit of all of the industry in New Zealand and that this is borne out by the fact that the applicant company was subsequently created.

98. The applicant accepts that UMF, itself, did not intend to use it but rather it intended to assign it to the appropriate body once it was created. Mr Moss submitted that this does not amount to consent as referred to in section 32(3). He submitted that this is different on the facts to the *IWATCH* case where it was found that it was always the intention to consent to use of the mark.

99. Ms Michaels accepted that applying for a mark “without intending to use it, [the applicant’s] sole objective being to prevent a third party from entering the market,” is a form of bad faith as identified by the CJEU¹⁰⁶ but that the assignment to the applicant and the intention of UMF at the date of filing demonstrates that plans were under way for use of the mark (but by a more appropriate body).

100. Mr Moss submitted that Ms Michaels argument is simply wrong in law and that you must have a right that you presently own to give consent and that the flip side of consent is that you have the right to stop use by the third party given consent. We know after cross examination that UMF obtained no rights to withdraw consent for the applicant to use. He submitted that transferring a right is not the same as consenting to its use. UMF only consented to transfer but this is not the same as consent to use.

101. We agree that a planned assignment is not the same as an intention to consent to use. Assignment results in a change in ownership and following this, the assignor loses its rights in respect to the mark. This is contrary to the requirements set out in section 32(3). Further, the intention behind UMF’s application was to reserve the right for another, unconnected body whilst, at the same time, preventing others who may have wished to apply to register the mark (for example, the Tasmanian Manuka honey industry). This amounts to a blocking tactic. On Mr Rawcliffe’s own evidence the mark was applied for before the correct party had been finalised and brought into being. This amounted to obtaining a filing date unfairly where others may have legitimately

¹⁰⁶ See *Lindt*, Case 529/07, at para 43-44

wished to apply for the mark but would have been prevented from doing so. We find that this amounts to an act of bad faith

102. In summary, the objective pursued by the applicant did not include using the mark or consenting to its use and had the effect of unfairly reserving it and blocking other possibly legitimate applications. Therefore, following the approach set out in *Alexander Trade Mark*, we conclude that the application was made for reasons consistent with bad faith and this limb of the claim succeeds.

Intention to use in a different form to that registered (“Covetous claiming” in the Statement of Grounds)

103. This ground was put in the context of “[s]hould the Applicant argue [that the mark] will only be used [...] in a form [...] which show[s] [the goods are] certified by the Applicant”. This has not been argued by the applicant and we need say no more about this conditional ground of opposition.

Additional arguments

104. Mr Moss submitted that it is clearly a commercially dishonest practice to register something or apply to register something that you know you should not be doing. Mr Moss submitted that it is not known whether the mere existence of the filing date for the certification application has led to some sort of commercial pressure being put on either MHAS or the Manuka Charitable Trust.

105. We dismiss this for two reasons. Firstly, this argument is a departure from the pleaded case that claimed only that UMF did not qualify under paragraph 4 of Schedule 2 of the Act or, in the alternative, it had no intention to use the mark because it intended to assign the mark. Secondly, even if it had been part of the pleaded case the submission relies upon conjecture. The known facts of the case do not shed light on whether there was any commercial pressure. The facts alone may be consistent with both good faith (if there was no commercial pressure) and possibly bad faith (if there was commercial pressure). However, we just do not know. Therefore, we would have dismissed this argument if it had been pleaded.

106. Linked to this were a number of submissions from Mr Moss, again not pleaded, that Mr Rawcliffe sought to conceal the role of the Manuka Charitable Trust that is a body set up. All we need to say is that this does no more than illustrate that there were difficulties in finding agreement for the precise nature and make-up of the appropriate body to hold the contested mark and there is nothing to demonstrate that the intentions of UMF, at the relevant date, amounted to bad faith. Therefore, even if it had been pleaded, we would have rejected the claim.

107. Finally, Mr Moss made submissions that bad faith has to be considered in the context of trade mark law which ultimately is concerned with the origin function. In particular, he referred to the CJEU's comments in *Skykick* at paragraph 74, referring back to the CJEU's earlier decision in *Koton*. Obviously, we do not disagree with the comments of the CJEU but we consider that our decision is consistent with these comments.

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COSTS

108. The opponents has been successful and is entitled to a contribution towards its costs. At the hearing we agreed to the request of the opponents to allow written submissions on costs following the issuing of this decision. Ms Michaels suggested that all parties should have a page limit imposed to limit to ensure submissions to a reasonable length. We agree with this approach regarding the submissions and direct that submissions should be limited to four pages plus, if necessary, any schedule of costs. The opponents should provide its submissions within fourteen days of the date of this decision and the applicant then has a further fourteen days to provide its submissions.

109. The outstanding issue of costs does not impact upon the appeal period regarding this substantive decision.

Dated this day 13th day of December 2021

Mark Bryant

Clare Boucher

June Ralph

**For the Registrar,
The Comptroller-General**