

**IN THE COURT OF APPEAL OF NEW ZEALAND**

**I TE KŌTI PĪRA O AOTEAROA**

**CA292/2024**  
**[2025] NZCA 516**

|         |                                    |
|---------|------------------------------------|
| BETWEEN | MANUKA DOCTOR LIMITED<br>Appellant |
| AND     | RORY HILL<br>Respondent            |

Hearing: 27 February 2025

Court: Hinton, Edwards and Cull JJ

Counsel: G F Arthur KC and J Oliver-Hood for Appellant  
M C Sumpter for Respondent

Judgment: 2 October 2025 at 11.30 am

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**JUDGMENT OF THE COURT**

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**A The appeal is dismissed.**

**B There is no order as to costs.**

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**REASONS**

|                       |                |
|-----------------------|----------------|
| Hinton and Edwards JJ | Para No<br>[1] |
| Cull J (dissenting)   | [92]           |

## HINTON AND EDWARDS JJ

(Given by Hinton J)

### Table of Contents

|                                                                                                                  | Para No |
|------------------------------------------------------------------------------------------------------------------|---------|
| <b>Background</b>                                                                                                | [4]     |
| <b>Legal framework</b>                                                                                           | [15]    |
| <i>The decisions of the Commissioner and the High Court</i>                                                      | [23]    |
| <b>The ground of opposition under s 25(1)(b)</b>                                                                 | [28]    |
| <i>The approach</i>                                                                                              | [29]    |
| <i>Is Mr Hill's proposed mark in respect of goods that are similar to those covered by Manuka Doctor's mark?</i> | [37]    |
| <i>Is Mr Hill's proposed mark similar to Manuka Doctor's mark?</i>                                               | [38]    |
| Aural and visual similarity                                                                                      | [39]    |
| Common idea                                                                                                      | [53]    |
| <i>Is Mr Hill's proposed mark likely to deceive or confuse?</i>                                                  | [73]    |
| <b>The ground of opposition under s 17(1)(a)</b>                                                                 | [87]    |
| <b>Costs</b>                                                                                                     | [89]    |
| <b>Result</b>                                                                                                    | [90]    |

[1] MANUKA DOCTOR is a registered trademark which Manuka Doctor Ltd (Manuka Doctor) uses for mānuka-based skincare and therapeutic products.

[2] Should MANUKA MEDIC, a mark Mr Hill has applied to register in respect of similar products, also be permitted as a registered trademark?

[3] The Assistant Commissioner of Trade Marks (the Commissioner) said it should be,<sup>1</sup> and so did the High Court.<sup>2</sup> Manuka Doctor now seeks a different answer from this Court.

### Background

[4] While visiting the West Coast town of Whataroa as a young person, Mr Hill says he experienced the antiviral and healing benefits of wild mānuka. He spent much time researching this phenomenon and says it was the primary inspiration behind the range of goods to which he applies the mark MANUKA MEDIC.

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<sup>1</sup> *Hill v Manuka Doctor Ltd* [2023] NZIPOTM 35 [Assistant Commissioner decision].

<sup>2</sup> *Manuka Doctor Ltd v Hill* [2024] NZHC 766, (2024) 179 IPR 140 [High Court judgment].

[5] Currently, Mr Hill applies the MANUKA MEDIC mark to a mānuka oil and hydrosol blend which is used as a multipurpose topical spray. He anticipates broadening the range of goods under the MANUKA MEDIC mark in the future.

[6] On 1 October 2020, Mr Hill submitted a search and preliminary advice request to the Intellectual Property Office of New Zealand (IPONZ). He requested the opinion of IPONZ as to the availability and registrability of the MANUKA MEDIC trade mark.

[7] The IPONZ's search and preliminary advice report indicated that the trade mark appeared to be registrable.

[8] On the basis of the IPONZ's report, Mr Hill proceeded to file an application to register the mark MANUKA MEDIC on 21 November 2020. His application was filed in respect of two classes of goods. The first, class 1, was described as "[b]otanical extracts, other than essential oils, for use in making cosmetics". The second, class 3, was described as "[a]romatic essential oils; essential oils".

[9] Mr Hill says he was unaware of the MANUKA DOCTOR mark being used but that, given the health benefits of mānuka oil, he was not surprised that many other traders would use the word MANUKA in combination with a medical or health word in relation to their goods.

[10] Manuka Doctor also deals in mānuka-based products. Since 2011 it has been using the mark MANUKA DOCTOR with respect to a range of products, including creams, toners, serums, lotions, gels, cleansers, balms, face masks, scrubs, facial wipes, lip enhancers, facial oils, facial peels, wrinkle fillers as well as moisturisers.

[11] Between 2011 and 2017, Manuka Doctor skincare and cosmetics products were being sold through a flagship store in Auckland. Manuka Doctor now also sells products through its website, supermarket chains, department stores, skincare and cosmetic clinics, health stores, and gift and souvenir shops.

[12] Manuka Doctor has also given details of the extensive sales and marketing of health supplements and skincare products that it has conducted since 2011 under the MANUKA DOCTOR mark.

[13] The MANUKA DOCTOR mark is registered in respect of four classes of goods, two of which are relevant to the present proceeding. These are class 3, which includes “[c]osmetics; soaps ... non-medical skincare products and preparations ...” and class 5, which includes “[t]herapeutic and dietary products and preparations; [and] therapeutic and dietary products and preparations containing pollen, honey and/or other bee products ...” In opposing Mr Hill’s application, Manuka Doctor relies on the registration of the MANUKA DOCTOR mark with respect to these two classes of goods.<sup>3</sup>

[14] Manuka Doctor’s grounds of opposition are advanced under ss 25(1)(b) and 17(1)(a) of the Trade Marks Act 2002 (the Act).<sup>4</sup>

### **Legal framework**

[15] The two provisions of the Act on which this appeal centres are set out below.

[16] Section 25(1)(b) provides:

#### **25 Registrability of identical or similar trade mark**

(1) The Commissioner must not register a trade mark (**trade mark A**) in respect of any goods or services if—

...

(b) it is similar to a trade mark (**trade mark C**) that belongs to a different owner and that is registered, or has priority under section 34 or section 36, in respect of the same goods or services or goods or services that are similar to those goods or services, and its use is likely to deceive or confuse ...

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<sup>3</sup> Goods can be similar despite being in different classes.

<sup>4</sup> Before the Commissioner, Manuka Doctor advanced an additional ground under s 25(1)(c) of the Act. However, it no longer pursues that ground, and so we need say nothing more about it.

[17] The inquiry under s 25(1)(b) is threefold:<sup>5</sup>

- (a) Is an applicant's proposed mark (or marks) in respect of the same or similar goods or services covered by any of the opponent's trade mark registrations?
- (b) If so, is the applicant's proposed mark (or marks) similar to any of the opponent's trade mark registrations for the same or similar goods identified in the first inquiry?
- (c) If so, is use of the applicant's proposed mark likely to deceive or confuse?

[18] Although these questions are described sequentially, the different inquiries are interrelated, and the final assessment will have a global flavour to it.<sup>6</sup> But in the course of making a global-type assessment, it will usually be convenient to consider and answer these questions separately.<sup>7</sup>

[19] Section 17(1)(a) of the Act provides:

**17 Absolute grounds for not registering trade mark: general**

- (1) The Commissioner must not register as a trade mark or part of a trade mark any matter—
  - (a) the use of which would be likely to deceive or cause confusion
  - ...

[20] The High Court explained the inquiry under s 17(1)(a) as follows:<sup>8</sup>

- (a) Did the opponent's mark have a reputation in New Zealand at the relevant date?
- (b) If so, having regard to that reputation, is the Court satisfied that the mark applied for, if used in a normal and fair manner, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons, by reference to those who may be

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<sup>5</sup> *NV Sumatra Tobacco Trading Co v New Zealand Milk Brands Ltd* [2011] NZCA 264, [2011] 3 NZLR 206 at [32].

<sup>6</sup> *Brands Ltd v Bed Bath 'N' Table Pty Ltd* [2023] NZHC 1766, (2023) 174 IPR 261 at [67]–[68], citing *Coca-Cola Co v Frucor Soft Drinks Ltd* [2013] NZHC 3282, (2013) 104 IPR 432 at [154].

<sup>7</sup> See *N V Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc* [2010] NZCA 24, (2010) 86 IPR 206 at [18].

<sup>8</sup> High Court judgment, above n 2, at [19], citing *Sexwax Inc v Zoggs International Ltd* [2014] NZCA 311, [2015] 2 NZLR 1 at [27], [48]–[49] and [54]. For consistency, and as discussed later, we would refer to confusion on the part of the average consumer rather than a “substantial number of persons”, but it makes little practical difference.

exposed to the applicant's goods and are aware of the opponent's mark?

[21] The overlap between ss 17(1)(a) and 25 is considerable. The differences are that an objector is not required to establish a reputation under s 25 and that the inquiry under s 25 involves a notional exercise.<sup>9</sup> Under s 25 the Court must consider whether the use of each of the respective marks in a normal and fair manner would be likely to cause deception or confusion.<sup>10</sup> However, under s 17(1)(a) the comparison is between the actual use of the opponent's mark and the notional use of the applicant's mark, with that notional use being in a "normal and fair" manner.<sup>11</sup>

[22] On appeal, Manuka Doctor has the onus of persuading us why we should differ from the decisions reached by the High Court and the Commissioner.<sup>12</sup> But as the Supreme Court said in *Austin, Nichols & Co Inc v Stichting Lodestar*, the deference due to those decision-makers is a matter for us, and in the end we must come to our own view of the merits.<sup>13</sup> Interestingly, that case, well-known for the Supreme Court's enunciation of the approach to general appeals, was itself a case under the predecessor to s 25 of the Act.

#### *The decisions of the Commissioner and the High Court*

[23] Although the Commissioner found that only some of the goods in Mr Hill's application were similar to Manuka Doctor's, the High Court found that all of Mr Hill's goods were similar.<sup>14</sup>

[24] When it came to assessing similarity between the marks, the Commissioner did not express a clear conclusion and, in our view, did not come to one. Rather, it appears he approached his decision on a global basis whereby the similarity analysis was something of a backdrop for the broader question of whether registering the

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<sup>9</sup> See *British American Tobacco (Brands) Inc v NV Sumatra Tobacco Trading Co* HC Wellington CIV-2007-485-2814, 11 November 2008 at [45]–[48]; and *Anheuser-Busch Inc v Budweiser Budvar National Corp* [2003] 1 NZLR 472 (CA) at [66]. We note that these authorities concern the predecessors to ss 25 and 17 of the Act, which were ss 17 and 16, respectively, of the Trade Marks Act 1953. There are no material differences between the two Acts in this regard.

<sup>10</sup> *British American Tobacco (Brands) Inc v NV Sumatra Tobacco Trading Co*, above n 9, at [45].

<sup>11</sup> At [45].

<sup>12</sup> *Austin, Nichols & Co Inc v Stichting Lodestar* [2007] NZSC 103, [2008] 2 NZLR 141 at [4].

<sup>13</sup> At [13] and [19]–[20].

<sup>14</sup> High Court judgment, above n 2, at [31].

MANUKA MEDIC mark would be likely to cause confusion or deception. The High Court, however, inferred that, on balance, the Commissioner did find the marks to be similar, reasoning as follows:

[35] ... On balance, it appears that he found the marks to be similar. He referred to the use of the word “Manuka” in both marks as meaning that they have a common visual, audible and conceptual component, but said that the elements “Doctor” and “Medic” are clearly different in look and sound. However, he found the idea of “Doctor” and “Medic” to be similar in a general way, although they refer to professions which are the result of different qualifications. He found that consumers of the products are likely to take some care in purchasing them, rather than making a snap purchase — suggesting a step back from a similarity finding — but went on to say that the trade channels for the goods will be the same and that the circumstances in which the goods are encountered by consumers are likely to be the same.

[25] Radich J went on to find that the marks were not in fact similar. He said the words DOCTOR and MEDIC looked and sounded different and this difference was such that — even though he did subsequently consider whether the marks had a common idea — he thought it not necessary to do so.<sup>15</sup> The Judge also said that the Court would be slow to conclude there could be similarities in circumstances which would enable exclusivity for Manuka Doctor over any name that combines a reference to mānuka with a reference to health benefits.<sup>16</sup>

[26] As to whether the MANUKA MEDIC mark was likely to cause confusion or deception, the Commissioner found that it was not.<sup>17</sup> The High Court agreed. It found that the distinctive elements of the mark, rather than its descriptive elements, would be the focus in the mind of a consumer, and that they would not view all things mānuka medical as being from the same source.<sup>18</sup>

[27] These various findings meant that both the Commissioner and High Court dismissed the ground advanced by Manuka Doctor under s 25(1)(b). For much the same reasons, the ground advanced under s 17(1)(a) was also dismissed.<sup>19</sup>

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<sup>15</sup> At [38]–[39].

<sup>16</sup> At [40].

<sup>17</sup> Assistant Commissioner decision, above n 1, at [78].

<sup>18</sup> High Court judgment, above n 2, at [57].

<sup>19</sup> At [58]; and Assistant Commissioner decision, above n 1, at [91]–[92].

## **The ground of opposition under s 25(1)(b)**

[28] As set out above, the structure of the inquiry under s 25(1)(b) is threefold.<sup>20</sup> Are the marks in respect of the same or similar goods? If so, are the marks similar? If so, is use of the proposed mark likely to deceive or confuse? The final assessment will have a global flavour to it.

### *The approach*

[29] The following factors, set out by this Court in *Pharmazen Ltd v Anagenix IP Ltd*, are relevant to conducting the similarity assessment between the marks MANUKA DOCTOR and MANUKA MEDIC:<sup>21</sup>

- (a) the Court should consider the marks in their entirety; the overall or net impression of the marks should be considered;
- (b) while differences between two marks may be significant, it is the similarities which are most significant, whether visual, audible, distinctive, or conceptual;
- (c) the impression or idea conveyed by the marks is important in assessing how they will be recalled; the idea of a mark is more likely to be recalled than its precise details;
- (d) comparison is not of the opponent's mark with the mark of the applicant when taken side by side, but taking into account imperfect recollection in all the circumstances in which the products might be sold; and
- (e) the marks are to be compared as they would be encountered in the usual circumstances of trade.

[30] The visual, aural and conceptual features of the marks are key to the similarity assessment, but none is determinative by itself. Certain of these factors may attract particular significance in some cases, but not in others. In the end, the similarity assessment is highly factual.

[31] The assessment of whether the marks are similar can also only be undertaken from the perspective of the average consumer in the market.<sup>22</sup> The average consumer

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<sup>20</sup> *NV Sumatra Tobacco Trading Co v New Zealand Milk Brands Ltd*, above n 5, at [32].

<sup>21</sup> *Pharmazen Ltd v Anagenix IP Ltd* [2020] NZCA 306, (2020) 157 IPR 198 at [47]. See also *Intellectual Reserve Inc v Sintes* HC Auckland CIV-2007-404-2610, 13 December 2007 at [16] for the original and extended formulation of these principles.

<sup>22</sup> *Coca-Cola Co v Frucor Soft Drinks Ltd*, above n 6, at [154].

test is essentially the same as a substantial proportion of the public, as explained by the Court of Appeal of England and Wales in the following passage from *Reed Executive plc v Reed Business Information Ltd*:<sup>23</sup>

[82] Next the ordinary consumer test. ... The notion here is conceptually different from the “substantial proportion of the public” test applied in passing off ... The “average consumer” is a notional individual whereas the substantial proportion test involves a statistical assessment, necessarily crude. But in the end I think they come to the same thing. For if a “substantial proportion” of the relevant consumers are likely to be confused, so will the notional average consumer and vice versa. Whichever approach one uses, one is essentially doing the same thing — forming an overall (“global”) assessment as to whether there is likely to be significant consumer confusion. It is essentially a value judgment to be drawn from all the circumstances. Further conceptual overelaboration is apt to obscure this and is accordingly unhelpful. It may be observed that both approaches guard against too “nanny” a view of protection — to confuse only the careless or stupid is not enough.

[32] The “average consumer” is deemed to be “reasonably well informed and reasonably circumspect and observant”, albeit the particular characteristics of the average consumer will still vary from case to case.<sup>24</sup>

[33] Imperfect recollection (referred to in *Pharmazen* above) is also baked into this notion of the average consumer because they “rarely” have the chance to make direct comparisons between marks and must instead rely on the imperfect picture of them they have kept in their mind.<sup>25</sup>

[34] In considering the average consumer it is also important to consider the matter of descriptiveness. This is because a trade mark is designed to indicate the origin of goods or services,<sup>26</sup> not to merely describe them. A trade mark is protected because it stands apart from the goods or services with which it is associated. And, it is only protected to the extent that it is distinctive. Marks that merely describe the goods to which they relate, by their nature, have a lesser capacity to signify the origin of those

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<sup>23</sup> *Reed Executive plc v Reed Business Information Ltd* [2004] EWCA Civ 159, [2004] RPC 767.

<sup>24</sup> *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, [2012] FSR 19 at [52(b)]. See also *Comic Enterprises Ltd v Twentieth Century Fox Film Corp* [2016] EWCA Civ 41, [2016] FSR 30 at [31]; *Sazerac Brands, LLC v Liverpool Gin Distillery Ltd* [2021] EWCA Civ 1207, [2022] RPC 5 at [8]; and *AA Insurance Ltd v AMI Insurance Ltd* [2012] 1 NZLR 837 (HC) at [25(d)].

<sup>25</sup> See *Specsavers International Healthcare Ltd v Asda Stores Ltd*, above n 24, at [52(b)].

<sup>26</sup> See *Re Powell's Trade Mark* [1893] 2 Ch 388 (CA) at 403–404 per Bowen LJ.

goods.<sup>27</sup> For that reason, it is common to refer to the scope of protection for a descriptive mark as being reduced. However, that is not a proposition of law. A descriptive mark is, in practice, likely to have a reduced scope of protection because there is a lesser likelihood that other marks will be confused with it.<sup>28</sup> Where something is largely descriptive, the average consumer will recognise this, expect others to use similar descriptive marks, and thus be alert for details which differentiate one provider from another.<sup>29</sup> They will, as a result, be less likely to see the mark as indicating a connection with the proprietor of the mark and their particular goods or services.<sup>30</sup>

[35] But that does not mean a likelihood of deception or confusion can never arise from similar but largely descriptive trademarks.<sup>31</sup>

[36] It bears noting, if it were not already obvious, that the dichotomy between marks that are descriptive and marks that are distinctive is not hard and fast. It is a matter of degree. Words exist along a spectrum from the invented, to the suggestive, to the entirely descriptive.

*Is Mr Hill's proposed mark in respect of goods that are similar to those covered by Manuka Doctor's mark?*

[37] The net result of the two hearings below and the lack of any cross-appeal is that there is no issue with regard to whether the marks are in respect of similar goods. We can proceed on the basis that the MANUKA MEDIC mark is in respect of similar goods to those covered by the MANUKA DOCTOR mark. Those are the class 3

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<sup>27</sup> *Brands Ltd v Bed Bath 'N' Table Pty Ltd*, above n 6, at [153(b)]. See also *Intellectual Reserve Inc v Sintes* [2009] NZCA 305, [2014] NZAR 556 at [74].

<sup>28</sup> *Digipos Store Solutions Group Ltd v Digi International Inc* [2008] EWHC 3371 (Ch), [2008] RPC 591 at [42].

<sup>29</sup> *Reed Executive plc v Reed Business Information Ltd*, above n 23, at [85]. See also *Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd* (1946) 63 RPC 39 (HL) at 43 per Lord Simonds; and *Intellectual Reserve Inc v Sintes*, above n 27, at [74].

<sup>30</sup> See *JW Spear & Sons Ltd v Zynga Inc (No 2)* [2015] EWCA Civ 290, [2016] 1 All ER 226 at [64].

<sup>31</sup> See, for example, *Pickwick International Inc (GB) Ltd v Multiple Sound Distributors Ltd* [1972] RPC 786 (CA). There the Court considered Top of the Pops and Pick of the Pops to be confusingly similar, and proceeded to grant an injunction. See also *NZ Tax Refunds Ltd v Brooks Homes Ltd* [2013] NZCA 90, (2013) 13 TCLR 531 where NZ Tax Refunds and Tax Refund NZ were regarded as too similar. The Court in that case thus granted an injunction. Further, in *National Timber Co Ltd v National Hardware, Timber, and Machinery Co Ltd* [1923] NZLR 1258 (CA) the names National Timber Co Ltd and National Hardware, Timber, and Machinery Co Ltd were also considered to be too much alike.

non-medical skincare products and the class 5 therapeutic products described above at [13].

*Is Mr Hill's proposed mark similar to Manuka Doctor's mark?*

[38] As noted above, the key factors in the similarity assessment are aural, visual and conceptual.

Aural and visual similarity

[39] Manuka Doctor submits both marks have some notable similarities aurally and visually. It first undertakes a detailed analysis of the second word of each mark, namely MEDIC and DOCTOR, saying that both are around the same length.<sup>32</sup> The words also each have two syllables, which Manuka Doctor says means that they both carry the same cadence when said aloud. It submits that, despite these features appearing to be technical, the sound structure of the words is important when considering whether they are similar, and how they would be remembered.

[40] Significant too, according to Manuka Doctor, is that both marks share the same first word, MANUKA. While acknowledging that due focus should be given to the words DOCTOR and MEDIC, Manuka Doctor says those words cannot be viewed in isolation. The marks have to be looked at as a whole.

[41] While accepting that the word MANUKA is at least partly “descriptive”, Manuka Doctor submits that its mark is not wholly so.

[42] Mr Hill, however, invites us to discount the significance of the word MANUKA on the basis it is descriptive, not distinctive. He also says that the words DOCTOR and MEDIC are not similar.

[43] In our view, the High Court was correct to conclude that the marks are not similar in look or sound.

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<sup>32</sup> Manuka Doctor also submits that both are nouns in that they describe a class of persons, namely health practitioners. But that is a matter to be addressed under the heading of common idea.

[44] While we must consider the marks as a whole, given that the first word of each mark (MANUKA) is the same and descriptive we agree with the High Court that the focus must be on the words DOCTOR and MEDIC. It is worth remembering too that, as Mr Sumpter submitted for Mr Hill, nobody could register MANUKA for mānuka-based skincare or therapeutic products.

[45] The comparison between DOCTOR and MEDIC visually and aurally should be one of general impression. In terms of similarity, they are of a similar length (though not exactly the same length) and each has two syllables. But in terms of differences, the words do not begin with the same letter and they share only two letters — “D” and “C” — with those two letters featuring quite differently within each of the words.

[46] Spoken aloud, it is true that both words having two syllables is a point of similarity, but the word DOCTOR has a more relaxed final syllable. MEDIC, on the other hand, sounds sharper and snappier.

[47] Overall, we consider that the words DOCTOR and MEDIC are quite different aurally and visually.

[48] The first word of each mark, MANUKA, is of course the same, but must, as we have said, be afforded less weight given it is descriptive. The word is descriptive in that mānuka oil, or product derived from mānuka honey, is an ingredient in products within Manuka Doctor’s specification of goods. Indeed, mānuka is used in all of Manuka Doctor’s non-oil-based skincare products. Consumers would thus be alert for any detail which would differentiate the marks, recognising that the word MANUKA describes — or is at least suggestive of — the kind of goods which Manuka Doctor produces, as opposed to the origin of those goods.<sup>33</sup>

[49] Although Cull J says that the first word carries “considerable significance”,<sup>34</sup> and other cases observe similarly, it is important to note that none of those statements

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<sup>33</sup> *Reed Executive plc v Reed Business Information Ltd*, above n 23, at [85].

<sup>34</sup> See below at [108].

amount to legal rules.<sup>35</sup> Rather, they are factual observations. And, on the facts of this particular case, where the first word — MANUKA — is descriptive, it is difficult to attribute much to it.<sup>36</sup>

[50] For that reason, it makes sense, in this context, to give more weight to the words DOCTOR and MEDIC. This does not, however, mean we disregard the word MANUKA. Rather, as we have suggested, it means we approach the analysis from the perspective of the average consumer in the market.<sup>37</sup>

[51] In visual and aural terms, we therefore do not consider the marks to be similar. They look and sound different.

[52] However, we cannot only consider the visual and aural elements of the marks. We need to look at the marks as a whole, and that means also looking at their conceptual similarities, often referred to as whether they share a “common idea”.

#### Common idea

[53] Turning then to common idea, the marks MANUKA DOCTOR and MANUKA MEDIC bear a strong similarity in the common idea they carry. In each case, the common idea derives from both words of the mark. MANUKA tends to be identified with healing and health properties. Both DOCTOR and MEDIC refer to health practitioners and so are similar in that regard. The words DOCTOR and MEDIC convey a similar message or impression, as does each mark overall.

[54] We do not, unlike Cull J, consider that the exact meaning of the words DOCTOR and MEDIC adds to the ultimate analysis.<sup>38</sup> The fact that both words refer to health practitioners already informs the common idea which we accept should be taken into account. Consideration of the meaning of the words is subsumed into the

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<sup>35</sup> See *Telecom IP Ltd v Beta Telecom Ltd* HC Wellington CIV-2004-485-2789, 27 September 2006 at [36].

<sup>36</sup> The descriptive nature of MANUKA distinguishes this case from *N V Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc*, above n 7, in which this Court put weight on the word LUCKY in upholding a finding that the marks LUCKY DRAW and LUCKY DREAM were too close to the mark LUCKY STRIKE. Unlike MANUKA, the word LUCKY was in no way descriptive of cigarettes, being the products at issue in *British American Tobacco*.

<sup>37</sup> *Coca-Cola Co v Frucor Soft Drinks Ltd*, above n 6, at [154].

<sup>38</sup> See below at [114].

broad assessment of whether the marks share a common idea. To focus also on the exact meaning would be to artificially double count and to ignore the fact that the average consumer does not carry a dictionary with them when they are choosing goods to purchase.<sup>39</sup>

[55] Even if we were to further analyse the meaning of the words DOCTOR and MEDIC, we would agree with the Commissioner that they are not, as Cull J says, “interchangeable”,<sup>40</sup> and in actuality have different meanings.<sup>41</sup> A person might refer to taking a child to the doctor, but is unlikely to say that they are taking the child to the medic.<sup>42</sup> The word MEDIC has a much wider meaning than the word DOCTOR, and it is also not a word that is in common usage, at least in this country.

[56] As to the weight to be placed on the idea of the marks in assessing similarity, the parties diverge significantly. The treatment of idea is also the main point at which we part company with Cull J.

[57] Manuka Doctor relies on the factor we have already set out from *Pharmazen* that “the impression or idea conveyed by the marks is important in assessing how they will be recalled”.<sup>43</sup> The reason behind this is that the idea of the mark is more likely to be recalled than its precise details.<sup>44</sup>

[58] Manuka Doctor also submits that “idea or concept” cannot be relegated to a “secondary” consideration, and is rather a “primary” consideration.

[59] Mr Hill, on the other hand, argues that the idea of the competing marks is not a mandatory “primary” consideration in the similarity analysis. Referring to the definition of “trade mark” in s 5(1), Mr Hill emphasises that the Act does not protect ideas and that it only protects signs capable of being “represented graphically” and that are capable of “distinguishing the goods or services of one person from those of another person”.

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<sup>39</sup> *Austin, Nichols & Co Inc v Stichting Lodestar* (2005) 11 TCLR 265 (HC) at [30].

<sup>40</sup> See below at [115].

<sup>41</sup> Assistant Commissioner decision, above n 1, at [48] and [76].

<sup>42</sup> At [48].

<sup>43</sup> *Pharmazen Ltd v Anagenix IP Ltd*, above n 21, at [47(c)].

<sup>44</sup> At [47(c)]. See also *Anheuser-Busch Inc v Budweiser Budvar National Corp*, above n 9, at [75].

[60] We do not consider the language of “primary” and “secondary” considerations to be helpful in this context. It is correct to say that the Act does not protect ideas, and in our view it is also correct that, as a matter of law, the idea or conceptual features of a mark is not a “primary” consideration. But nor does the law regard any other factors, whether visual or aural, as “primary” considerations. When assessing similarity, the ultimate decision must be made by having regard to all factors, as a matter of judgment, on the particular facts.<sup>45</sup> The “idea of a mark” is a factor which may legitimately be considered.<sup>46</sup> It is a legitimate consideration because the similarity assessment is conducted by looking at the marks as a whole, and having regard to the general impression that they create.<sup>47</sup> If two marks evoke the same idea, then that is plainly relevant to assessing whether they leave a similar impression.

[61] As already noted, the key indicia by which similarity is measured are the visual, aural and conceptual features of the respective marks. But, as we have also said, the weight that is afforded to each of those features, and their relevance, will depend on the facts of the particular case. Idea is not a “primary” consideration, but nor is anything else, and we do not take Manuka Doctor ultimately to have submitted otherwise.

[62] However, for the reasons that follow, we do not consider that “idea” can carry the day in this particular case.

[63] Mr Sumpter, for Mr Hill, refers us in this context to the decision of the High Court in *Platinum Homes (NZ) Ltd v Golden Homes (1998) Ltd*.<sup>48</sup> This case involved the marks PLATINUM HOMES and GOLDEN HOMES for home building services. Miller J held that the Commissioner “paid too much attention to the idea of

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<sup>45</sup> *Clark v Sharp* (1898) 15 RPC 141 (Ch) at 146–147.

<sup>46</sup> *N V Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc*, above n 7, at [29]. See also *Austin, Nichols & Co Inc v Stichting Lodestar*, above n 39, at [22]; and *Hannaford & Burton Ltd v Polaroid Corp* [1976] 2 NZLR 14 (PC). In the latter case, Polaroid and Solavoid were held not to be confusingly similar due to the marks having different ideas.

<sup>47</sup> *Pharmazen Ltd v Anagenix IP Ltd*, above n 21, at [47(a)].

<sup>48</sup> *Platinum Homes (NZ) Ltd v Golden Homes (1998) Ltd* HC Wellington CIV-2005-485-1870, 11 August 2006.

the mark, and too little to the distinct differences in look and sound”.<sup>49</sup> The Judge also noted that:<sup>50</sup>

... the fact that two marks convey a common idea becomes relevant only if the marks themselves look or sound alike; commonality of idea might then tip the balance in favour of a finding of deception.

[64] On the facts, Miller J concluded that there was no “reasonable likelihood of deception or confusion in the use of the two marks, the look and sound of which are quite different”.<sup>51</sup>

[65] Manuka Doctor seeks to distinguish *Platinum Homes* on the basis that the relevant idea was broad, capturing any mark which combined any precious metal with the word HOMES, and that HOMES is entirely non-distinctive for buildings.

[66] Manuka Doctor further submits that *Platinum Homes*, being a case about home building services, involved a very different consumer market to the one in the present case. Mr Arthur KC, counsel for Manuka Doctor, argues that those who are looking for a provider of home building services would be highly invested and highly attentive. He submits that, in many cases, such consumers would be looking to make the biggest purchase of their lives, and would be particularly keen to spot any differences between providers. But consumers of that sort were, in his submission, very different to those purchasing skincare products and facial oils.

[67] As to the latter point, we accept Manuka Doctor’s submission that the consumers purchasing skincare and therapeutic products may be quite different to those who purchase home building services. However, we consider that aspect is better addressed when looking at the issue of confusion and deception. We therefore return to that point.

[68] Turning then to the first submission — that HOMES is non-distinctive for buildings — we consider that this argument does little to advance Manuka Doctor’s

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<sup>49</sup> At [23].

<sup>50</sup> At [24], citing *Sports Cafe Ltd v Registrar of Trade Marks* (1998) 42 IPR 552 (FCAFC) at 557.

<sup>51</sup> At [26].

case, given our already expressed view that the use of the word MANUKA is non-distinctive with respect to mānuka-based skincare and therapeutic products.

[69] We also reject Manuka Doctor's submission that the idea underlying the MANUKA DOCTOR and MANUKA MEDIC marks is narrow. This appears to be Manuka Doctor's core submission — that the idea underlying the marks is narrower than the vague notion of mānuka having healing properties. Rather, it is suggested that the fact both of the marks express the same idea, and in the same way, is significant and most memorable. Both of the marks, Manuka Doctor submits, draw on the same association between a medical practitioner and mānuka in order to allude to mānuka's healing properties. However, that idea is hardly distinctive or unique. The word MANUKA is, at least today, associated with health properties. Because of that, the impression created through using the word MANUKA in combination with another word that has health connotations strikes us as being neither special nor particularly memorable.

[70] For the above reasons, we do not consider that in this case much weight should be given to the idea of the marks. Looked at as a whole, we consider that the similarity that exists in relation to the idea of the marks is outweighed by their significant visual and aural differences. We therefore find, as the High Court did, that the marks are not similar in terms of s 25(1)(b).

[71] This conclusion is consistent with, and reinforced by, the policy behind the Act that a trader should not have a monopoly in descriptive words.<sup>52</sup> As the Judge said, the Court would be slow to conclude that there are similarities in circumstances which would enable exclusivity for Manuka Doctor over any name that combines a reference to mānuka with a reference to health benefits.<sup>53</sup> We note too that there are many registered trademarks that combine the word MANUKA with another word carrying health connotations.

[72] For completeness, we record our agreement with Manuka Doctor that the Judge was wrong to say that the visual and aural differences between the marks meant that

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<sup>52</sup> *Registrar of Trade Marks v W & G du Cros Ltd* [1913] AC 624 (HL) at 635 per Lord Parker

<sup>53</sup> High Court judgment, above n 2, at [40].

he did not need to consider the issue of common idea.<sup>54</sup> In our view, as the marks must be looked at in their entirety, anything relevant to whether they are similar, including “idea”, should be considered.<sup>55</sup> However, nothing turned on this because the Judge did nonetheless consider that issue and, furthermore, we have concluded it made no difference. The Judge considered that any overlap between the marks, in terms of idea, was insufficient to render them similar.<sup>56</sup> He also worked through the arguments about idea in relation to the issue of confusion or deception, where he said that, although idea would be important, it was only one of the relevant considerations.<sup>57</sup> He then went on to find that the average consumer would not view all things mānuka medical as stemming from the same source.<sup>58</sup> He recognised that he needed to undertake a global assessment, and he considered everything before him.<sup>59</sup> Even though he was wrong to suggest that he did not need to consider idea, there can be no doubt that Manuka Doctor’s submissions on this point were addressed.

*Is Mr Hill’s proposed mark likely to deceive or confuse?*

[73] Even if the marks were similar, that similarity would not, in our view, have been likely to deceive or confuse.

[74] The standard test under s 25(1)(b) is to ask whether, on the assumption that the opponent is using their mark in a normal and fair manner for the relevant goods or services, the court is satisfied there would be no reasonable likelihood of deception or confusion among a substantial proportion of average consumers if the applicant also used its mark in a normal and fair manner for the relevant goods or services.<sup>60</sup>

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<sup>54</sup> At [39].

<sup>55</sup> To the extent the passage cited earlier from *Platinum Homes (NZ) Ltd v Golden Homes (1998) Ltd*, above n 48, at [24] suggests otherwise, we disagree, but think it is clear that Miller J’s conclusion would have been unaltered if he had also considered similarity of idea.

<sup>56</sup> High Court judgment, above n 2, at [41].

<sup>57</sup> At [55].

<sup>58</sup> At [57].

<sup>59</sup> At [16] and [42].

<sup>60</sup> *Re Smith Hayden & Co Ltd’s Application* (1946) 63 RPC 97 (Ch) at 101. Again, we consider it would be more accurate to refer to deception or confusion of the average consumer, but little turns on this.

[75] This Court discussed the concepts of “deception” and “confusion” in *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd*.<sup>61</sup>

“Deceived” implies the creation of an incorrect belief or mental impression, and causing “confusion” may go no further than perplexing or mixing up the minds of the purchasing public ... Where the deception or confusion alleged is as to the source of the goods, deceived is equivalent to being misled into thinking that the goods bearing the applicant’s mark come from some other source and confused to being caused to wonder whether that might not be the case.

[76] The court has to be satisfied not merely that there is a possibility of deception or confusion but that there is a real, tangible danger of deception or confusion if the proposed mark is put on the register.<sup>62</sup> There must be a real risk, and not just a fanciful one.<sup>63</sup>

[77] As is common, Manuka Doctor relies on use of the mark being likely to confuse, as that is the easier test. We note that it is common to refer to the confusion test as being whether the average consumer would be “caused to wonder”. But that phrase does not, in our view, include fleeting thoughts or associations. That is not the kind of mischief the Act exists to guard against.

[78] Manuka Doctor submits that purchasers of its products will range from the engaged to the casual, but that they are not likely to be overly attentive. Mr Arthur postulates several “fair use scenarios” which are said to demonstrate that, upon encountering MANUKA MEDIC, many would be confused as to whether that was the product they had previously bought, had seen advertised or had been recommended. The scenarios include:

- (a) an older person who previously purchased Manuka Doctor’s essential oil skin blemishes lotion, who has only an imperfect recollection of the brand, and who sees the same product branded MANUKA MEDIC during their weekly shop;

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<sup>61</sup> *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 (CA) at 62. See also *New Zealand Breweries Ltd v Heineken’s Bier Browerij Maatschappij NV* [1964] NZLR 115 (CA) at 142 per Haslam J.

<sup>62</sup> “*Bali*” Trade Mark [1969] RPC 472 (HL) at 496–497 per Lord Upjohn.

<sup>63</sup> *Lancer Trade Mark* [1987] RPC 303 (CA) at 325.

- (b) a distracted teenager who has seen Manuka Doctor’s acne skin foaming cleanser being advertised, and who sees an acne essential oil cleanser branded MANUKA MEDIC in the health store; and
- (c) any person who has been recommended a Manuka Doctor product by a friend and who sees MANUKA MEDIC for the same type of product.

[79] However, for the reasons set out below, and as both the Commissioner and Judge found, we are not convinced that there is a reasonable likelihood of the average consumer being confused.

[80] Starting with the circumstances in which consumers are likely to encounter the relevant goods, we accept, as the Commissioner found, that in most cases this would be in a “self-service environment” such as at the supermarket, or on the internet.<sup>64</sup> We also accept that the products at issue are not necessarily expensive.<sup>65</sup> We also accept that the average consumer of Manuka Doctor’s products would not be as discerning as, for example, the average consumer of home building services, as in the case of *Platinum Homes*.

[81] Nonetheless, as the Commissioner rightly pointed out, the average consumer of skincare products is not likely to purchase them on “impulse”.<sup>66</sup> As the High Court has previously said, a “reasonable degree of care” can be expected by those purchasing therapeutic products.<sup>67</sup> We consider the same applies to skincare products made with mānuka oil of the type at issue here, given mānuka oil is claimed to impact the health of the consumer. For that reason, consumers of such products are likely to pay a higher than usual degree of attention to the product. Trust is related to this, and it is an important factor when it comes to skincare and therapeutic products. It is likely that the average consumer, including the older person as posited by Manuka Doctor, is

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<sup>64</sup> Assistant Commissioner decision, above n 1, at [54].

<sup>65</sup> As an example, Manuka Doctor referred us to some facial oils that are retailed at \$29.95. The reason why these kinds of factors are important to consider is because if consumers are more likely to buy the products casually, then there is an increased likelihood of confusion or deception: *Roby Trustees Ltd v Mars New Zealand Ltd* [2012] NZCA 450, (2012) 98 IPR 353 at [58].

<sup>66</sup> Assistant Commissioner decision, above n 1, at [74].

<sup>67</sup> *Dr August Wolff GmbH & Co KG Arzneimittel v Combe International Ltd* [2020] NZHC 1679, [2021] 3 NZLR 236 at [43]. See also James Mellor and others *Kerly’s Law of Trade Marks and Trade Names* (17th ed, Sweet & Maxwell, London, 2024) at [3-019].

going to recognise and seek out the exact brand that they have come to trust.<sup>68</sup> And if a person has sensitive or acne-prone skin (like the teenager described by Manuka Doctor), they would presumably be careful to check that the product they are purchasing will not cause further irritation or breakouts.<sup>69</sup> Not all skincare and therapeutic products are created equal, and they are not all interchangeable. This is something of which the average consumer will be conscious.

[82] The position only seems to be fortified in the case of Mr Hill’s class 1 goods, being botanical extracts for making cosmetics. The average consumer of such goods is likely to be informed and careful.

[83] As for the marks themselves, the average consumer will, in our view, more naturally focus — and would know they need to focus — on the distinctive elements of the marks, rather than their descriptive elements. That means little significance can attach to the common use of the word MANUKA. Consumers who see skincare or therapeutic products branded with a name that includes the word MANUKA are not likely to assume they all come from the same source. The word MANUKA, and the idea of mānuka having health benefits, does not communicate enough about the products for the average consumer to infer their source. Because of this, if somebody were recommended a particular mānuka-based skincare or therapeutic product (as in one of Manuka Doctor’s scenarios), it would make little sense for them to recall the word MANUKA, or the underlying idea, as an identifier for the product. In that context it is also difficult to accept Cull J’s view that the word MANUKA “guides the consumer to the product”.<sup>70</sup> In our view the average consumer would be alert to the details that would in fact help them to distinguish between the different products.<sup>71</sup>

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<sup>68</sup> We question, in any event, whether older age, presumably implying poorer memory, is relevant when addressing the “average consumer”. While imperfect brand recollection is material, the average consumer is also presumed to be reasonably well-informed, reasonably observant and circumspect: *Specsavers International Healthcare Ltd v Asda Stores Ltd*, above n 24, at [52(b)].

<sup>69</sup> As with the “older person”, whether the teenager is “distracted”, as opposed to having imperfect recollection, does not seem to be relevant when considering the position of the average consumer.

<sup>70</sup> See below at [133].

<sup>71</sup> *Reed Executive plc v Reed Business Information Ltd*, above n 23, at [85].

[84] Even with imperfect recollection, the aural and visual differences in the words DOCTOR and MEDIC are enough that the average consumer would be likely to differentiate between the MANUKA DOCTOR and MANUKA MEDIC marks.

[85] We conclude that there is no real risk of the average consumer being confused.

[86] It follows that we agree with both the Commissioner and High Court that the MANUKA MEDIC mark is not confusingly similar to the MANUKA DOCTOR mark for the purposes of s 25(1)(b).

### **The ground of opposition under s 17(1)(a)**

[87] It is accepted that Manuka Doctor has a reputation for skincare and cosmetic products and, as to the issue of deception or confusion under s 17(1)(a), we do not, on the facts of this particular case, consider that there is any difference in outcome under the two provisions.

[88] For the same reasons that we have concluded the registration of MANUKA MEDIC is not likely to cause deception or confusion in terms of s 25(1)(b), we also conclude that it would not be likely to do so with respect to s 17(1)(a).

### **Costs**

[89] We were told Mr Hill is represented pro bono. On that basis we make no order as to costs.

### **Result**

[90] The appeal is dismissed.

[91] There is no order as to costs.

### **CULL J**

[92] I would have allowed the appeal. I agree with the majority that the Judge erred in deciding that the visual and aural differences between the marks meant that he did

not need to consider the issue of common idea. I disagree with the majority, however, that nothing turned on this and that it made no material difference to the outcome.

[93] The differences between the majority and myself are twofold. First, the majority does not place “much weight” on the idea or concept of the marks.<sup>72</sup> They find that, as a matter of law, it is not a primary consideration in the similarity assessment under s 25(1)(b).<sup>73</sup> Second, I consider the inquiry into the similarity of goods was foreshortened, with a focus on the physical nature or characteristics of the goods, but not on their similar uses and placement in the market. Although not contested, this is material because the different inquiries under s 25(1)(b) are interrelated and the final similarity assessment of the trademarks will often have a “global” flavour to it.<sup>74</sup>

[94] In summary, I consider the two marks are too close, that they are the same or similar, and that they are likely to confuse and deceive the average consumer.

### **Similarity of goods**

[95] The starting point is that the physical nature of Mr Hill’s goods and Manuka Doctor’s goods is similar. In answer to the first inquiry under s 25(1)(b),<sup>75</sup> the High Court overturned the Commissioner’s decision and found that *all* of Mr Hill’s goods were similar to Manuka Doctor’s.<sup>76</sup> That finding is not disturbed on appeal.<sup>77</sup>

[96] Importantly, the High Court found that the products have the “same characteristics” — either being, or containing, botanical extracts for making cosmetics and cosmetic products, resulting in *similar* goods to those that are covered by the MANUKA DOCTOR mark in respect of both of the classes of goods.<sup>78</sup> However, in my view, the assessment stopped short of comparing the uses, users and likely placement of the similar products in the market. As the Judge noted, a number of

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<sup>72</sup> See above at [70].

<sup>73</sup> See above at [60].

<sup>74</sup> *Brands Ltd v Bed Bath ‘N’ Table Pty Ltd*, above n 6, at [67]–[68], citing *Coca-Cola Co v Frucor Soft Drinks Ltd*, above n 6, at [154].

<sup>75</sup> See above at [17]. See also *NV Sumatra Tobacco Trading Co v New Zealand Milk Brands Ltd*, above n 5, at [32].

<sup>76</sup> High Court judgment, above n 2, at [31].

<sup>77</sup> See above at [37].

<sup>78</sup> High Court judgment, above n 2, at [29]–[31].

factors were identified in *British Sugar plc v James Robertson & Sons Ltd* to assist in determining the similarity between goods.<sup>79</sup> Those factors are:<sup>80</sup>

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

[97] The approach to the similarity of goods is a practical one, determined on a case-by-case basis, looking at the goods from a business and commercial point of view.<sup>81</sup> It seems to me that the respective uses and consumers of the similar goods, the respective trade channels through which the goods or services reach the market, the extent to which they are competitive, as well as the physical nature of the goods informs the similarity of goods comparison and, ultimately, assists in the overall similarity assessment. Taking the approach of looking at the goods from a “business and commercial point of view” in assessing the similarity of the goods — the approach of the High Court in *New Zealand Milk Brands Ltd v NV Sumatra Tobacco Trading Co*<sup>82</sup> — can highlight how similar the goods are, and how the goods are likely to be viewed in their trade channels or marketplace.

[98] The Commissioner considered that the users of the respective goods in Mr Hill’s class 1 goods were not the same because purchasers of those products will be cosmetic manufacturers, not members of the general public buying a product for

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<sup>79</sup> At [21], citing *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 (Ch) at 296–297.

<sup>80</sup> *British Sugar plc v James Robertson & Sons Ltd*, above n 79, at 296–297.

<sup>81</sup> *New Zealand Milk Brands Ltd v NV Sumatra Tobacco Trading Co* HC Wellington CIV-2007-485-2485, 28 November 2008 at [33].

<sup>82</sup> At [33].

personal use and, in consequence, the trade channels were likely to be different.<sup>83</sup> However, this was successfully challenged by Manuka Doctor, on appeal, on the basis that both of the respective goods produce their own botanical extract, namely the mānuka extract, that is then used in the skincare products. It was argued that it was artificial, therefore, to distinguish between Mr Hill’s cosmetic products and its mānuka extract to be used as an ingredient for cosmetic products.<sup>84</sup> As there is no limitation on Mr Hill’s intended specification for manufacturing, the appellant argued this would place sales of Mr Hill’s botanical extracts alongside Manuka Doctor’s products.<sup>85</sup>

[99] The High Court accepted that Manuka Doctor was right “on this point”.<sup>86</sup> That led to the finding that the MANUKA MEDIC proposed mark related to similar goods to those covered by the MANUKA DOCTOR mark in both classes.<sup>87</sup> However, it is unclear whether that finding meant that Manuka Doctor’s full submission was upheld, namely that the same trade channels, the same cosmetics and skincare products, with both sets of goods being made from the mānuka extract, would place Mr Hill’s goods alongside those of Manuka Doctor, thus making them highly competitive and likely to be found on the same or nearby shelves. I note that the Commissioner had accepted that the trade channels for both goods will be the same or at least overlap,<sup>88</sup> and that given the similarity of the goods, the surrounding circumstances of how consumers will encounter the advertising and sale of the goods will be the same.<sup>89</sup>

[100] Although the High Court described the *British Sugar* factors and recorded the appellant’s submission that Mr Hill’s goods would be placed “squarely alongside” Manuka Doctor’s products, the factors, other than the shared characteristics of the goods, were taken no further.<sup>90</sup> No mention was made of the Commissioner’s conclusions on the same circumstances of trade. Nor were they subsequently factored into consideration of the overall impression of the marks (as *Pharmazen* requires) in the High Court, or by the majority.<sup>91</sup> I consider this was a material omission.

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<sup>83</sup> Assistant Commissioner decision, above 1, at [36].

<sup>84</sup> High Court judgment, above n 2, at [26].

<sup>85</sup> At [27].

<sup>86</sup> At [29].

<sup>87</sup> At [31].

<sup>88</sup> Assistant Commissioner decision, above n 1, at [51].

<sup>89</sup> At [55].

<sup>90</sup> High Court judgment, above n 2, at [27].

<sup>91</sup> See above at [29] and [37]; and *Pharmazen Ltd v Anagenix IP Ltd*, above n 21, at [47(a)].

[101] If the High Court’s finding that the physical characteristics of both goods are similar is combined with the Commissioner’s conclusions that the goods will be encountered by consumers in the same trade channels, it presents a full picture of how similar the goods are and how they are likely to be placed in the same market. In my view, this picture would have fully informed the overall similarity assessment of the marks and, ultimately, the assessment of potential consumer confusion.

### **Similarity of trade marks**

[102] As noted, I disagree with the majority in their assessment of whether the marks are similar, and in particular their view of the conceptual similarity or common idea of the marks.

[103] I consider that the application of the notion of imperfect recollection is highly relevant in deciding whether the marks are too close, just as this Court did in *N V Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc*, where the proposed trade marks for cigarettes, LUCKY DRAW and LUCKY DREAM, were found to be too close to, and confusingly similar to, the mark LUCKY STRIKE.<sup>92</sup>

### *The findings*

[104] As noted above, the Commissioner did not come to a clear conclusion on the similarity of the marks.<sup>93</sup> However, he was of the opinion that the idea of a doctor and a medic, while similar in a general way, referred to professions which are the result of different qualifications.<sup>94</sup> As a result, he did not think that “doctor and medic are commonly used interchangeably”.<sup>95</sup>

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<sup>92</sup> *N V Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc*, above n 7.

<sup>93</sup> See above at [24].

<sup>94</sup> Assistant Commissioner decision, above n 1, at [45]–[47].

<sup>95</sup> At [48].

[105] The High Court concluded “[o]n balance, it appears” the Commissioner found the marks to be similar.<sup>96</sup> However, the Judge considered the only similarity between the marks was the word MANUKA.<sup>97</sup> The Judge then said:

[38] ... The words “Doctor” and “Medic” are quite different. They do both refer to a type of health practitioner and they do both have two syllables. But they are different words. They look and sound different. ...

[106] That difference was the reason the Judge thought it unnecessary to consider “whether, given a degree of similarity, the marks have a common idea”.<sup>98</sup> This resulted in the Judge focussing on the look and sound of the marks only and not “consider[ing] the marks in their entirety” or “the overall or net impression of the marks”, contrary to the first factor from *Pharmazen*.<sup>99</sup>

[107] As noted, the majority does not place much weight on the idea of the marks, concluding that any similarity that existed in relation to the idea of the marks is outweighed by their significant aural and visual differences.<sup>100</sup> I respectfully disagree with those findings.

#### *The words*

[108] Dealing first with the words of the marks, I consider the word MANUKA should not be heavily discounted because it is “common” and “descriptive”. Because it is the same first word of both marks, it has considerable significance. It is not only descriptive, but is the key ingredient in each of the products, which are both identified with healing and health properties, as the majority records.<sup>101</sup> It is also the signal word for identifying these products in the same market. I do not agree that the word MANUKA should be afforded little weight because it is descriptive. As the majority observes, a likelihood of deception or confusion can arise from similar, largely descriptive trademarks.<sup>102</sup> In this case, I consider that the word MANUKA is material to the overall impression of the mark. It has the same material impact as did the first

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<sup>96</sup> High Court judgment, above n 2, at [35].

<sup>97</sup> At [38].

<sup>98</sup> At [39].

<sup>99</sup> *Pharmazen Ltd v Anagenix IP Ltd*, above n 21, at [47(a)].

<sup>100</sup> See above at [70].

<sup>101</sup> See above at [53].

<sup>102</sup> See above at [34]–[36].

word LUCKY in *British American Tobacco*, where this Court accepted that the first word of a composite mark is usually the most important for comparison.<sup>103</sup>

[109] With MANUKA being the same first word in each of the trade marks, I consider the *meanings* of the second words DOCTOR and MEDIC are highly relevant to assessing similarity, not how they look and sound only.

[110] It is not in issue that DOCTOR and MEDIC are identified with healing and health. However, the finding by the High Court that DOCTOR and MEDIC are “quite different” relies on the view that while they both refer to “a type of health practitioner”, they are different words, which look and sound different.<sup>104</sup> The Judge did not accept that a person with an “imperfect recollection” would be confused by these words as this is not a case where the words are unfamiliar or made-up.<sup>105</sup>

[111] The appellant had submitted to the High Court that the dictionary definitions of “medic” almost always include a reference to doctor or medical practitioner, with the word “medic” commonly being substituted for “doctor”.<sup>106</sup> That submission appears to be correct when one reviews a range of dictionary definitions. The word “medic” is commonly defined as a medical practitioner, doctor or medical student or someone who does medical work in the military.<sup>107</sup> The word “doctor” is a formal address whereas “medic” is informal and context specific. Even a Google search definition, which is drawn from Oxford Languages, defines “medic” as “a medical

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<sup>103</sup> *N V Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc*, above n 7, at [32], citing *Re London Lubricants (1920) Ltd's Application* (1925) 42 RPC 264 (CA) at 279 per Sargent LJ.

<sup>104</sup> High Court judgment, above n 2, at [38].

<sup>105</sup> At [38]. The High Court compared Manuka Doctor's case with *Dr August Wolff GmbH & Co KG Arzneimittel v Combe International Ltd*, above n 67, in which the Court had held that VAGISIL and VAGISAN were not confusingly similar for the purposes of s 17(1)(a), but that they were for the purposes of s 25(1)(b).

<sup>106</sup> High Court judgment, above n 2, at [36].

<sup>107</sup> *Cambridge Dictionary* (online ed, Cambridge University Press), definition of “medic”; *Collins English Dictionary* (14th ed, HarperCollins Publishers, Glasgow, 2023) at 1220; *Oxford English Dictionary* (online ed, Oxford University Press), definition of “medic”; Lesley Brown (ed) *Shorter Oxford English Dictionary* (5th ed, Oxford University Press, Oxford, 2002) vol 1 at 1733; Graeme Kennedy and Tony Deverson (eds) *The New Zealand Oxford Dictionary* (Oxford University Press, Melbourne, 2005) at 699; Susan Butler (ed) *The Macquarie Dictionary* (7th ed, Macquarie Dictionary Publishers, Sydney, 2017), definition of “medic”; *Longman Dictionary of Contemporary English* (online ed, Pearson), definition of “medic”; and *Merriam-Webster Dictionary* (online ed, Merriam-Webster), definition of “medic”. The *Cambridge Dictionary*, the *Collins English Dictionary*, *The Macquarie Dictionary* and the *Longman Dictionary of Contemporary English* define the word “medic” to specifically include the word “doctor”.

practitioner or student”. Notwithstanding that the average consumer does not carry a dictionary with them when shopping,<sup>108</sup> modern dictionaries (including those online) provide the most current guide to the common usage of words. These definitions suggest that “medic” and “doctor” and their general usage convey the same meaning and can almost be used synonymously.

[112] The dictionary definitions of “doctor” and “medic” do not feature in the decision in any discussion of what the words convey. The Commissioner accepted that the ideas of DOCTOR and MEDIC were similar in a general way, but opined that DOCTOR would convey to New Zealand consumers the idea of a person who has a university medical school qualification and is registered to practice medicine.<sup>109</sup> MEDIC, on the other hand, would convey the idea of a person with some medical qualification, but not necessarily the same as — or to the level required to be called — a “doctor”, such as a paramedic, or a soldier with medical training.<sup>110</sup> These meanings appear to be based on the Commissioner’s own opinion of what those words mean without reference to any relevant evidence, or dictionary usage. He concludes by finding that “I do not think doctor and medic are commonly used interchangeably”, based on his own hypothetical examples, which in my view are very narrow in scope, and very subjective.<sup>111</sup>

[113] Although the appellant’s submissions addressed the conceptual connection between DOCTOR and MEDIC, the High Court did not place any significance on the meanings of the words, or their interchangeable use. I consider that was an omission, and the High Court’s analogy with made-up words in the application of the imperfect recollection principle was too narrow.<sup>112</sup> By contrast, this Court in *British American Tobacco* held trademarks to be too close, and confusingly similar, based on them having the same first word, LUCKY, which is a familiar word and in regular use.<sup>113</sup>

[114] I depart from the majority’s view that the exact meaning of the words DOCTOR and MEDIC does not assist the ultimate analysis, because the meaning of

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<sup>108</sup> *Austin, Nichols & Co Inc v Stichting Lodestar*, above n 39, at [30].

<sup>109</sup> Assistant Commissioner decision, above n 1, at [46].

<sup>110</sup> At [47].

<sup>111</sup> At [48].

<sup>112</sup> High Court judgment, above n 2, at [38].

<sup>113</sup> *N V Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc*, above n 7, at [25].

the words is already subsumed into the broader analysis of the common idea and that to consider meaning would involve artificially double counting.<sup>114</sup> I consider this is at odds with the earlier conclusion that it “makes sense ... to give more weight to the words DOCTOR and MEDIC” as differentiating the marks, given the less weight afforded to MANUKA because it is descriptive.<sup>115</sup> This, in my view, is why the meanings of these words should be given weight.

[115] The interchangeable meanings of DOCTOR and MEDIC reinforce my view that MANUKA MEDIC conveys the same meaning as MANUKA DOCTOR by the use of the word MEDIC. I consider consumers with an imperfect recollection of MANUKA DOCTOR are likely to be confused by MANUKA MEDIC, having the same first word, an interchangeable second word, and the marks having the same two-word structure. I differ, therefore, from the majority’s conclusion that the words DOCTOR and MEDIC have a similar but not the same meaning, and that the meaning of those words are of no assistance. In my view, the meanings are important as they convey the same idea behind the marks.

### **The idea of the marks**

[116] We all agree that the idea of the mark was not given appropriate weight by the High Court and that this was an error. However, I respectfully disagree with the majority’s approach to their assessment of the idea or concept of the marks for three reasons.

[117] First, I am unable to agree that the reference in Manuka Doctor’s submission to the idea of the mark being a “primary”, not a secondary, consideration introduces unhelpful language in this context.<sup>116</sup>

[118] Manuka Doctor’s submission was not that the idea of the mark *is the primary* consideration when considering similarity, but that the idea or concept is *one of the primary* considerations in assessing similarity, and should not be a secondary or supplementary consideration. The submission was addressing the second factor from

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<sup>114</sup> See above at [54].

<sup>115</sup> See above at [48]–[50].

<sup>116</sup> See above at [58]–[61].

*Pharmazen*, which is that, “while differences between two marks may be significant, it is the similarities which are most significant, whether *visual, audible, distinctive, or conceptual*”.<sup>117</sup>

[119] I interpret the appellant’s submission as contending that the concept or idea of the mark is one of those four considerations. I agree that the weight afforded to each of those considerations and their relevance will depend on the particular facts of the case but each of them are important and, in my view, can be described as primary considerations in the similarity assessment of the marks themselves. This is not to say that there should be different categories of considerations of varying degree of importance or primacy.

[120] Importantly, I accept the appellant’s submission that the idea of the mark is not just a secondary consideration. The error below was that once the visual and aural similarities were considered, the Judge decided that the “next step” of considering common idea was not necessary.<sup>118</sup> The “next step” which was not taken, in my view, implies that the common idea was regarded as a secondary consideration.

[121] Second, I disagree with the majority’s conclusion that “as a matter of law”, the idea or conceptual features of the mark is not a “primary” consideration in the similarity analysis, and that the Act does not protect ideas.<sup>119</sup>

[122] The third factor recognised by this Court in *Pharmazen* is that:<sup>120</sup>

the impression or idea conveyed by the marks is important in assessing how the marks will be recalled; the idea of a mark is more likely to be recalled than its precise details ...

[123] I consider the second factor from *Pharmazen* clarifies that the idea or concept of a mark *is* one of the primary considerations in terms of similarity, along with the visual, audible and distinctive considerations.

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<sup>117</sup> *Pharmazen Ltd v Anagenix IP Ltd*, above n 21, at [47(b)] (emphasis added).

<sup>118</sup> High Court judgment, above n 2, at [39].

<sup>119</sup> See above at [60].

<sup>120</sup> *Pharmazen Ltd v Anagenix IP Ltd*, above n 21, at [47(c)].

[124] It is true that in s 25(1)(b) of the Act, idea or concept is not prescribed as a primary consideration, but as the majority observes, nor are the visual or aural features of a particular mark.<sup>121</sup> For that reason, I consider that the proposition that the Act does not protect ideas is misplaced because the common law does.

[125] The Court of Appeal in *Pharmazen* has provided guidance in how the Court should conduct the similarity assessment and, in doing so, stressed that it is the similarities which are most significant, whether visual, audible, distinctive or conceptual. Those factors from *Pharmazen* have been accepted and adopted by both the parties, the High Court and the Commissioner in this proceeding.

[126] Third, I disagree with the majority's conclusion that the similarity in the idea of the marks is outweighed by their visual and aural differences. While they acknowledged that the idea of a mark is a factor which *may* legitimately be considered,<sup>122</sup> they gave little weight to the idea or conceptual feature of both marks, in part, because the idea of healing properties was not distinctive or unique,<sup>123</sup> and that the idea or conceptual features of the mark was not a primary consideration as a matter of law. As noted, I consider the idea of a mark is one of the primary considerations which should be given weight. Further, I consider the question is not whether the idea is unique or distinctive, but whether it is the same idea behind both marks.

[127] I am, therefore, in agreement with the majority when they say the marks “bear a strong similarity in the common idea they carry” and that the words DOCTOR and MEDIC “convey a similar message or impression, as does each mark overall”, as I consider this is the correct finding that the marks are similar.<sup>124</sup> I also agree with the proposition that if two words evoke the same idea, then that will be relevant to assessing whether they leave the same impression.<sup>125</sup> The similarity of the words and the fact that the two marks evoke the same idea, and leave the same impression, leads me to the conclusion that the marks are similar.

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<sup>121</sup> See above at [61].

<sup>122</sup> See above at [60].

<sup>123</sup> See above at [69].

<sup>124</sup> See above at [53].

<sup>125</sup> See above at [60].

[128] For completeness, I do not accept that the appellant was seeking a monopoly or ownership of the word MANUKA. I consider the discussion on whether ownership is being claimed by Manuka Doctor in respect of the word MANUKA and the notion that it brings health benefits, as might a health professional, diverts from the similarity assessment.<sup>126</sup> I disagree with the High Court’s proposition that finding similarities in the marks will enable exclusivity for Manuka Doctor over any name that combines a reference to mānuka with a reference to health benefits.<sup>127</sup> I consider that in the assessment of similarity, the risk of exclusivity or monopoly in relation to other potential trademarks — as Mr Hill continues to submit — has been a distraction from the assessment of the similarity between these two marks, and the likely confusion they create, which is the focus of the inquiry under s 25(1)(b).

[129] While there is a visual and aural difference in the second word of the marks, in considering the marks in their entirety, I consider they evoke the same idea and leave the same impression. I would find that the marks MANUKA DOCTOR and MANUKA MEDIC are similar. They are two-word trademarks with the same first word, the same number of syllables, the same meaning in the second word, and the same concept or idea conveying the same message or impression. They are likely to be placed side by side, encountered by likely the same consumers, and the similar goods will likely be found in the same trade channels. In my view, the proposed trademark is too close to MANUKA DOCTOR.

### **Likelihood of confusion or deception**

[130] It follows from the above, that I differ from the majority on their finding that the marks were similar, and that this similarity would have been unlikely to deceive or confuse, either under ss 25(1)(b) or 17(1)(a). Given the similarities between the marks, I am satisfied that there is a real risk of deception or confusion.

[131] With such a similar idea underpinning the marks, the principle of imperfect recollection is relevant. The appellant submits that consumers will be caused to wonder whether MANUKA MEDIC is a different product from the same source. I

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<sup>126</sup> High Court judgment, above n 2, at [40].

<sup>127</sup> At [40].

agree. In addition to the “fair use scenarios” postulated by the appellant, I consider there is a strong likelihood of consumers perceiving that one of the marks may be a primary or premier brand and that the other is a secondary or standard brand, as is not uncommon in cosmetic and skincare ranges.

[132] I am not in agreement with the assertion that the average consumer of skincare products will pay a higher degree of attention when it comes to making a purchase.<sup>128</sup> The key ingredient of the goods here is mānuka, and these products are cosmetics or skincare products — skin repair creams, gels, facial cleansers, facial oils, serums, toners, lotions, balms, oils and lip enhancers. They are currently available from pharmacies, health stores, department stores, skincare and cosmetic clinics, gift and souvenir stores and there is no restriction on the placement or use of Mr Hill’s products.<sup>129</sup> These are not medical products, or pharmaceuticals, but cosmetic products suggesting healing and health properties, identified by the association of mānuka with a doctor or medic.

[133] I consider the notion of imperfect recollection applies here. The first word of both marks, MANUKA, guides the consumer to the product they are seeking, and the second words DOCTOR and MEDIC are quite similar. I do not discount that often those purchases may be made on a consumer’s behalf by a partner or another. One brand or mark could easily be mistaken for the other, as they have the same meaning, cover the same goods, and are likely sold in the same places. I conclude that the similarity between MANUKA DOCTOR and MANUKA MEDIC, being so close in terms of ideas, and applied to similar products, is likely to deceive or lead to confusion.

[134] For the same reasons, I consider that the registration of MANUKA MEDIC is likely to cause deception or confusion in respect of s 17(1)(a), particularly as MANUKA DOCTOR has had a reputation for skincare and cosmetic products since 2011. No issue is taken with its reputation.<sup>130</sup> The significant risk of confusion and deception, for likely the same consumers choosing between these similar goods, from the same trade channels, and in the same markets, reinforces my conclusion.

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<sup>128</sup> See above at [81].

<sup>129</sup> High Court judgment, above n 2, at [10].

<sup>130</sup> See above at [87].

[135] I would uphold the appeal and decline registration of the proposed mark.

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