

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 11661 BY  
H LUNDBECK A/S FOR A DECLARATION OF  
INVALIDITY IN RESPECT OF TRADE MARK NO  
2172981 IN THE NAME OF SB PHARMCO PUERTO RICO INC**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No 11661 by  
H Lundbeck A/S for a declaration of invalidity  
in respect of Trade Mark No 2172981 in the  
name of SB Pharmco Puerto Rico Inc**

### **DECISION**

1. Trade Mark No 2172981 is registered with a specification of goods which reads 'pharmaceutical and medicinal preparations and substances' in Class 5. The mark is REZACTRA and it stands registered from the filing date of 24 July 1998.
2. By application dated 7 June 2000 H Lundbeck A/S applied for a declaration of invalidity in respect of this registration. The action is brought under Section 47(2)(a) of the Act having regard to the applicants' Community Trade Mark (CTM) registration No 754630 for the word RESACT and covering "pharmaceutical preparations acting on the central nervous system, for human use".
3. The registered proprietors filed a counterstatement denying the claim.
4. Both sides ask for an award of costs in their favour. Both sides filed evidence. By letter dated 5 January 2001 the parties were invited to say whether they wished to be heard. Neither side asked for a hearing. The Registry therefore indicated by letter dated 20 February 2001 that a decision would be taken from the papers filed but allowed a month for written submissions. None were received but I regard most of the evidence filed in this case as being by way of submissions so the parties' positions in relation to the issues before me are abundantly clear. Acting on behalf of the Registrar and after a careful study of the evidence I give this decision.
5. For the record the evidence filed is as follows:

#### **Applicants for Invalidity's Evidence in Chief:**

Statutory Declaration by Stephen Richard James with Exhibits SRJ 1 - SRJ 2

#### **Registered Proprietors' Evidence:**

Statutory Declaration by Alan Sinclair Cox with Exhibits ASC 1 - ASC 3

#### **Applicants' Evidence in Reply:**

Statutory Declaration by Stephen Richard James

6. I do not propose to offer a summary of this evidence but will draw on it as necessary in reaching my decision.

7. Sections 47(2)(a) reads

“(2) The registration of a trade mark may be declared invalid on the ground -

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) .....

unless the proprietor of that earlier mark or other earlier right has consented to the registration.”

8. The applicants’ CTM registration has a filing date of 23 February 1998. It is therefore, an earlier trade mark for the purposes of Section 5(2). As it is clearly not identical to the mark at issue Section 5(2)(b) applies. This reads:

“(2) A trade mark shall not be registered if because -

(a) .....

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

9. I approach the matter taking into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] ETMR 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] ETMR 1, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG* [2000] ETMR 723.

10. Two initial points can be drawn from the evidence. The applicants for invalidity have not adduced evidence of use of their mark. I therefore treat it as an unused mark. Secondly the registered proprietors acknowledge that the goods of their registration and of the applicants for invalidity’s registration are similar. The applicants for invalidity’s specification is in point of fact restricted to pharmaceutical preparations acting on the central nervous system but in the absence of any limitation on the registered proprietors’ goods it seems to me that identical goods could be involved taking the matter at its broadest. The action turns critically on my view of the marks themselves. The visual, aural and conceptual similarities of the marks must be taken into account within the context of the global test.

11. The applicants for invalidity’s main submissions are that the first six letters of each mark are ‘virtually identical’ with the only difference being the letter S rather than a Z as the third

letter; that the letters S and Z are in any case phonetically identical; and that the -RA ending on the registered proprietors' mark could be lost bearing in mind the importance traditionally attached in trade mark law to the importance of the first part of words. The applicants for invalidity also say that the letters RA are a well known abbreviation for rheumatoid arthritis and that accordingly REZACTRA will be seen as a drug named REZACT for the treatment of rheumatoid arthritis. Evidence is supplied (Exhibit SRJ 2) to show the widespread use of RA to signify rheumatoid arthritis.

12. The registered proprietors for their part point to the fact that REZACTRA is a three syllable word. They suggest that the syllable structure will be REZ-AC-TRA with the Z pronounced as in zoo and not as an S, that the final syllable will be strongly pronounced and will not disappear in aural use; and that RA, even if it is a recognised abbreviation, will be lost in the totality of the mark. They provide evidence (Exhibit ASC 3) to show that there are a number of medicinal products shown in MIMS Monthly Index of Medical Specialities ending in the letters RA of which only one is used to treat rheumatoid arthritis.

13. I approach the matter (for want of any evidence to the contrary) on the basis that both marks are invented words. There is nothing to indicate how the average person would pronounce the words. Nor is it possible to say how the respective goods reach the market that is to say whether as over the counter products, prescription only drugs or under the control of, say, hospital consultants. These are not unimportant considerations in determining whether the goods are likely to be purchased on the basis of, for instance, oral request/recommendation or written prescription. That in turn means I cannot with confidence gauge the relative importance of visual or aural considerations within the context of the global test.

14. With those preliminary observations in mind I go on to consider the marks at issue, RESACT and REZACTRA. Visually the first two syllables (six letters) of the respective marks are similar. It is true that the third letters differ but I doubt that too much reliance should be placed on that point as a differentiating feature given the readiness with which S and Z are interchangeable in words such as specialise/specialize. However it is not enough that marks have elements or features in common. The question is whether there is an overall similarity. The guidance from the ECJ cases is that marks are seen as wholes and that customers do not pause to analyse marks (*Sabel v Puma* at paragraph 23). I am not persuaded that consumers will fail to pay attention to the ending of the registered proprietors' mark but overall I consider that the similarities outweigh the differences. Pharmaceuticals can also be occasional purchases so imperfect recollection can play a part.

15. In considering aural usage I bear in mind the wide range of circumstances in which pharmaceuticals can be bought or prescribed and particularly the fact that over the counter medicines may be purchased on the oral advice of doctors, pharmacists or even on the recommendation of others who have suffered from the same ailment. I find that the dominant characteristics of the marks from the point of view of oral usage are likely to be the first two syllables (with the stress on the second syllable in each case). The registered proprietors attempt to get over this problem by suggesting that S and Z will be phonetically distinguishable. I do not accept that that is likely to be the case. On the contrary I would

expect the S of RESACT to be pronounced as a Z sound as in say the word reside. This is not to say that the termination of the registered mark will be ignored but it will in my view carry less weight. Overall I find that aural similarity is strong.

16. Pharmaceutical trade marks are often characterised by having elements which are allusive or descriptive. With the exception of the debate over the significance of the RA ending (see below) that is not the case here. Neither party has suggested that the marks are anything other than invented words. It follows that conceptually they have nothing in common other than their inventedness. Equally it might be said (and the applicants for invalidity do say) that invented words provide no meaning to assist identification and, hence, differentiation. On the whole I take the view that conceptual similarities are likely to play a rather less important part with words of this kind than visual and aural considerations.

17. I have referred to the fact that the applicants for invalidity claim that RA is a widely used abbreviation for rheumatoid arthritis. The registered proprietors, rightly in my view, point out that these letters do not constitute a free standing suffix in their mark. There is no reason to suppose that consumers would analyse the mark and thus open up the prospect of it being seen as a drug name REZACT for the treatment of rheumatoid arthritis (RA). In the absence of evidence to the contrary I regard the element RA as being so hidden within the mark that this is not a realistic probability.

18. Nevertheless the applicants for invalidity say in their reply evidence “It is not argued that, simply because a pharmaceutical trade mark ends in the letters RA, it must be associated with rheumatoid arthritis. What is argued is that, because RA is a well known abbreviation for rheumatoid arthritis, the registration of REZACTRA could inhibit the legitimate business activities of the owner of the earlier registered trade mark RESACT.” The suggestion is that registration of the mark at issue would prevent the applicants for invalidity from launching a product under the name RESACT RA as a treatment for rheumatoid arthritis. That proposition both goes beyond consideration of their earlier trade mark and involves speculation about future circumstances. It also makes an assumption as to how consumers would approach such a mark if RA was presented as a stand-alone suffix. In short I do not think it advances the applicants for invalidity’s case.

19. In conclusion I find that there are significant similarities between the respective marks though I would fall short of saying that there would be a likelihood of direct confusion if they were seen or heard together. But a side by side comparison is rarely a fair reflection of how marks are encountered in the marketplace. It was said in *Canon v MGM* at paragraph 29 “Accordingly, the risk that the public might believe that the goods or services in question come from the same undertakings or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive (see *SABEL*, paragraphs 16 to 18).” This is a case where I consider that there is a likelihood of confusion, not in the sense that the one mark might be taken for the other, but that both might be thought to emanate from the same trade source. That is sufficient for me to find in the applicants for invalidity’s favour. In accordance with Section 47(5) the registration will be declared invalid and be deemed never to have been made.

20. As the applicants for invalidity have been successful they are entitled to a contribution toward their costs. I order the registered proprietors to pay them the sum of £700. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 26 Day of June 2001**

**M Reynolds  
for the Registrar  
The Comptroller General**