TRADE MARKS ACT 1994

IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 780930 AND THE REQUEST BY DERMAGENICS EUROPE B.V. TO PROTECT THE TRADE MARK DERMAX IN CLASS 5

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 71108 BY DIOMED DEVELOPMENTS LTD

BACKGROUND

1) On 12 March 2002, Dermagenics Europe B.V. of Modelleur 23, NL-5171 SL, Kaatsheuvel, Netherlands on the basis of its international registration based upon its registration held in Benelux, requested protection in the United Kingdom of the trade mark DERMAX under the provisions of the Madrid Protocol. An International priority date of 12 September 2001 was claimed.

2) Protection was sought for the following goods in Class 5: "Dressing material and dressings for the treatment of wounds".

3) The United Kingdom Trade Marks Registry considered that the request satisfied the requirements for protection in accordance with Article 3 of the Trade Marks (International Registration) Order 1996 and particulars of the international registration were published in accordance with Article 10.

4) On 30 April 2004 Diomed Developments Limited, of Tatmore Place, Gosmore, Hitchin, Herefordshire SG4 7QR filed notice of opposition to the conferring of protection on this international registration. The grounds of opposition, subsequently amended, are in summary:

a) The opponent is the proprietor of the following trade marks:

Mark	Number	Effective date	Class	Specification
DERMAX	2220075	21.01.00	5	Pharmaceutical preparations and substances.
DERMAL Proceeding because of distinctiveness acquired through use.	2007263	10.01.95	5	Pharmaceutical preparations and substances all for use on the skin or scalp.
DERMOL	639421	20.08.45	5	Medicated ointment for the treatment of the skin.

b) The mark for which protection is being sought is identical to the opponent's mark 2220075 and similar to its other two marks. The goods for which the opponent's marks are registered are similar or identical to the specification sought to be protected. The opponent claims that the international mark offends against Section 5(2)(a) in the case of its mark 2220075 and 5(2)(b)with regard to 2007263 and 639421. In the alternative if the goods are found not to be similar then the international mark offends against Section 5(3). Under the ground based upon 5(3) the opponent relies only upon two of its marks 2007263 and 639421.

5) The applicant subsequently filed a counterstatement denying the above grounds other than accepting that the opponent's mark 2220075 is identical to its own mark and that the opponent's marks are earlier marks within the meaning of section 6(1)(a) of the Trade Marks Act 1994.

6) Both sides ask for an award of costs. Neither side wished to be heard on the matter, although both sides provided written submissions which I shall refer to as and when they are relevant.

OPPONENT'S EVIDENCE

7) The opponent filed a witness statement, dated 9 November 2004, by Michael Yarrow the Managing Director of the opponent company, a position he has held for 29 years. He provides a brief history of the company and its subsidiaries. He states that the mark DERMAL has been used as a trade mark and as the name of a subsidiary company (Dermal Laboratories) since 1963.

8) Mr Yarrow states that his company has not yet used the trade mark DERMAX as his company "has been progressing pharmaceutical, regulatory, design and pre-marketing work for a new product" which is intended to be introduced in the near future. He provides his view that the goods of the two parties are similar. He points out that pharmaceutical gels, creams and lotions tend to be applied to the skin/wound prior to a dressing being applied.

9) Mr Yarrow states that his company has used the trade mark DERMAL for over forty years. It has been used as a house mark on a number of products which he lists together with the date of introduction of the product. At exhibit MY1 he provides examples of packaging for these products which show use of the mark DERMAL as a house mark. At exhibit MY2 he provides a printout referring to certain of these products but it is dated after the relevant date.

10) Mr Yarrow also provides figures for unit sales, turnover and marketing under the mark DERMAL as follows:

Year	Turnover £ (million)	Units sold (million)	Marketing £ (million)
1999-2000	9.8	1.9	1.7
2000-2001	10.3	2.0	1.9
2001-2002	11.5	2.2	2.0
2002-2003	13.0	2.5	2.2
2003-2004	15.3	2.9	2.3

11) Mr Yarrow states that the mark DERMAL has featured prominently in the medical media and at exhibit MY4 he provides examples of advertisements carried in the press. These all show use of the mark DERMAL prior to the relevant date. He also provides evidence of use on the company website at exhibit MY5, although these are dated November 2004. He states that the mark has been used at exhibitions and also in "face to face" selling to medical professionals.

12) Mr Yarrow states that his company has also used the mark DERMOL since January 1997 on a lotion, shower emollient and bath emollient. He provides figures for turnover, unit sales and marketing under this mark as follows:

Year	Turnover £ (million)	Units sold (million)	Marketing £ (million)
1999-2000	1.3	0.2	0.3
2000-2001	1.9	0.3	0.3
2001-2002	2.4	0.4	0.2
2002-2003	3.0	0.5	0.3
2003-2004	3.7	0.6	0.3

13) Mr Yarrow states that the mark DERMOL has featured prominently in the medical media and at exhibit MY7 he provides examples of advertisements carried in the press. These all show use of the mark DERMOL and most are dated prior to the relevant date.

APPLICANT'S EVIDENCE

14) The applicant filed a witness statement, dated 2 May 2005, by Barry Willemsteijn the Marketing Director of the applicant company. He states that he has been involved in the wound care industry for over eighteen years and is also a certified intensive care nurse.

15) Mr Willemsteijn states that in the UK and the EU there is a regulatory distinction between pharmaceutical preparations and medical devices such as bandages and dressings. He states:

> "Indeed, in my considerable experience of the healthcare industry both within the UK and elsewhere, there are clear and obvious distinctions between the nature, channels of trade, purpose and medical categorisation of the goods at issue.
>
> Dealing firstly with the issue of categorisation, there is an important regulatory distinction in the UK and throughout the European Union between pharmaceutical preparations on the one hand (as produced by the Opponent) and medical devices (bandages and dressings) as produced by the Applicant on the other, a distinction which reflects historical and contemporary perspectives within the healthcare industry to regard these products as distinct and separate at all levels of the procurement and application chain.
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> Authority to market both categories of product in the UK is granted by the Medical and Healthcare Products Regulatory Agency (MHRA) which was formed by the merger of the Medicines Control Agency and the Medical Devices Agency in April 2003. Bandages and dressings were formally under the control of the Medical Devices Agency and even within the merged body they are still regarded as a separate categorisation for marketing purposes as against mainstream pharmaceuticals. Specifically, bandages and dressings are subject to the provisions of the Medical Devices Directive and marketing authorisation is granted by a separate division within MHRA to that which deals with medicines and pharmaceuticals.

This distinction in categorisation reflects the general perception of pharmaceuticals on the one hand and bandages and dressings on the other within the health care profession. At their most basic level the products of course look and feel very differently [sic]. A pharmaceutical is likely to be a tablet, capsule, cream or ointment, whereas a dressing/bandage will typically be a sterile physical material placed over a lesion to protect it or help create physical conditions in the wound bed (moisture, temperature, absorption of exudates) to aid healing.

This physical distinction has an impact on the manufacture, distribution and sale of the respective products. Their different physical qualities means that bandages and dressings tend to be manufactured by companies which are not involved in the production of mainstream pharmaceuticals, or to the extent that there is any convergence, then the entities concerned tend to operate by way of separate and distinct trading divisions. It is a fact that those responsible for the ordering of pharmaceuticals on the one hand and/or bandages and dressings on the other into hospitals, surgeries, pharmacies and the like will deal with different trading entities and of course will readily distinguish between the source of the respective products.

This also leads on to consideration of the nature of the individuals responsible for undertaking the purchase and/or prescription of the products at issue. Within the hospital environment the goods concerned, namely pharmaceuticals on the one hand and bandages and dressings on the other, are procured by experts be they pharmacists or others within the procurement chain who are well used to making a distinction between these type of goods. Furthermore, once dispensed, they are then administered by an additional group of experts, namely doctors and nurses who are again well versed at making a distinction between the goods at issue given their different physical properties and purpose."

OPPONENT'S EVIDENCE IN REPLY

16) The opponent filed a second witness statement, dated 27 July 2005, by Mr Yarrow. He states that sales under the DERMAX trade mark have now commenced and he provides evidence of this and also of marketing under the brand. However, this is all after the relevant date. Mr Yarrow states that the evidence of the applicant did not touch upon how the customer in a high street pharmacy would view the products on the shelf. He also queries whether medical professionals would not assume a connection between two health care products with identical names.

17) That concludes my review of the evidence. I now turn to the decision.

DECISION

18) I will first consider the ground of opposition under section 5(2)(a) & (b) which reads:

"5.-(2) A trade mark shall not be registered if because -

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

(b) 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."

19) An "earlier trade mark" is defined in Section 6, the relevant part of which states:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,"

20) The opponent's marks 2220075, 2007263 and 639421 have effective dates between 20 August 1945 and 21 January 2000 and are plainly "earlier trade marks".

21) In determining the question under section 5(2)(a) and (b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel Bv v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 *and Marca Mode CV v Adidas AG* [2000] E.T.M.R 723. It is clear from these cases that:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel Bv v Puma AG* ;

(b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel Bv v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel Bv v Puma AG*;

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel Bv v Puma AG*;

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*;

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel Bv v Puma AG*;

(g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel Bv v Puma AG*;

(h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG*;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

22) In essence the test under Section 5(2) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the mark applied for and the opponent's marks on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods covered within the respective specifications.

23) Clearly, the opponent's strongest case is under trade mark number 2220075 which is identical to the mark in suit. The opponent's mark is inherently distinctive, albeit allusive to dealing with the skin. It has not been used and so cannot benefit from an enhanced reputation. I therefore turn to the comparison of the specifications of the two parties and take into account the factors referred to in the opinion of the Advocate General in *Canon*; page 127, paragraphs 45-48. In its judgement, the ECJ stated at paragraph 23:

> "23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their end users and their method of use and whether they are in competition with each other or are complementary."

24) For ease of reference the two specifications are reproduced below:

Applicant's specification	Opponent's specification
Class 5: Dressing material and dressings for the treatment of wounds.	Class 5: Pharmaceutical preparations and substances.

25) The applicant contends that the goods will be chosen by doctors, nurses and specialised pharmacists who will be responsible for prescribing the products (in the case of the opponent's goods) or directing (in the case of the applicant's dressing materials) the final users of the respective products. They point out the historic differences between medical devices and mainstream pharmaceuticals. They state in their submissions that healthcare professionals who undertake the prescribing/dispensing of the relevant products "will quite simply have no belief that the goods concerned will have the same origin because of the historical and on-going distinctions between the different sections of the healthcare industry through which the goods pass". They also state that the average consumer would not encounter the products on the same shelf in a high street pharmacy. They also claim that "By definition the opponents goods, namely "pharmaceutical preparations and substances" are subject to sale in the United Kingdom by prescription only. They will only ever pass through the hands of extremely discerning medical professionals, who of course take extreme care in the whole dispensing process". They also claim that their products (dressings) will only be available to end users on the basis of a decision/recommendation taken by a medical professional. They state that their products will typically be found in hospital stores and only accessible to a medical professional directly, such as a nurse or doctor as opposed to the end user making that choice themselves.

26) A specification cannot be defined by its current or actual use. Specifications cover all the potentialities of use, not just current or intended type of use. The issue of notional and fair use of the respective trade marks for all the goods that are encompassed was considered in *Daimlerchrysler AG v. Office for Harmonisation In the Internal Market (Trade Marks and Designs)* [2003] ETMR 61, the Court of First Instance (CFI) stated:

> "46 However, contrary to what the Office argues, the Court finds that a sign's descriptiveness must be assessed individually by reference to each of the categories of goods or service listed in the application for registration. For the purposes of assessing a sign's descriptiveness in respect of a particular category of goods or service, whether the applicant for the trade mark in question is contemplating using or is actually using a particular marketing concept involving goods and services in other categories in addition to the goods and services within that category is immaterial. Whether or not there is a marketing concept is of no consequence to the right conferred by the Community trade mark. Furthermore, since a marketing concept is purely a matter of choice for the undertaking concerned, it may change after a sign has been registered as a Community trade mark and it cannot therefore have any bearing on the assessment of the sign's registrability."

27) This issue was also dealt with by Geoffrey Hobbs QC, sitting as the appointed person, in *Croom's Trade Mark Application* [2005] RPC 2, where he stated:

> "31 When assessing the objections to registration in the present case, it is necessary to assume normal and fair use of the marks for which registered trade mark protection has been claimed. The context and manner in which the marks have actually been used by the applicant and the opponent in relation to goods of the kind specified may be treated as illustrative (not definitive) of the normal and fair use that must be taken into account. However, the protection claimed by the opponent independently of registration (*i.e.* under s.5(4)(a) of the Act) must relate to the actual and anticipated use of the rival marks."

28) I fully accept that healthcare professionals such as doctors, nurses and pharmacists are discerning and diligent people. However, I do not accept the proposition that the goods covered by the specifications of both parties are only used or dispensed by such healthcare professionals. The opponent's goods are not restricted to items available on prescription only. The opponent's specification includes a multitude of goods which can be found in any supermarket and which are purchased by the general public without reference to anyone, let alone a trained healthcare professional. I accept that the specification does include items which would be available on prescription only, but it is not restricted to such items. The same argument applies to the applicant's goods which would include items which would only be used by healthcare professionals but also includes mundane items sold in supermarkets. To my mind the average consumer must be taken in its widest context which in this case is the general public. The average consumer is regarded as being reasonably well informed and reasonably circumspect and observant. I agree that the items will not appear on the same shelf and that side by side comparisons will not be made. I must take into account the notion of imperfect recollection.

29) To my mind the opponent's specification includes the goods shown in the specification of the mark in suit. However, even if the opponent's goods covered creams for use on the skin only I believe that the average consumer seeing an identical trade mark used on items which would be found in any pharmacy or the area of a supermarket reserved for medicines and healthcare products would assume at the very least that there was an association between the two parties. The average consumer knows that companies in this sector produce a wide range of medicinal products. The specifications are similar and the marks are identical. There exists a likelihood of confusion on the part of the public. The opposition under Section 5(2)(a) is successful.

30) Given this finding I do not need to consider the grounds under Sections 5(2)(b) or 5(3). The opposition having succeeded, the opponent is entitled to a contribution towards their costs. I order the applicant to pay the opponent the sum of £1,150. This sum 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 27th day of October 2005

George W Salthouse
For the Registrar
the Comptroller-General