TRADE MARKS ACT 1994.

IN THE MATTER OF:

OPPOSITION No. 92126

IN THE NAME OF ASTRA ZENECA AB

TO TRADE MARK APPLICATION No. 2332714

IN THE NAME OF RATIOPHARM GmbH

D E C I S I O N

Application No. 2332714

1. On 20 May 2003 Ratiopharm GmbH ('***the Applicant***') applied to register **FELENDIL** and **Felendil** as a series of two trade marks for use in relation to the following goods in Class 5:

> Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use; food for babies; plasters; materials for dressings; materials for stopping teeth; dental wax; disinfectants; preparations for destroying vermin; fungicides; herbicides.

Opposition No. 92126

2. On 17 November 2003 Astra Zeneca AB (‘***the Opponent***’) filed a Notice and Grounds of Opposition objecting to the application for registration in so far as it related to:

> pharmaceutical preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use.

Objections were raised under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 on the basis of prior registration and use of the trade mark **PLENDIL**. The earlier registration cited under section 5(2)(b) was United Kingdom Trade Mark No. 1221651 for the word **PLENDIL** registered with effect from 28 June 1984 in respect of ‘*pharmaceutical preparations and substances*’. The Opponent claimed to have used the trade mark **PLENDIL** in the United Kingdom since June 1991 in relation to products having the active ingredient felodipine for the treatment of angina and hypertension. This use was relied upon for the purpose of establishing the common law right asserted under section 5(4)(a).

The Applicant’s Counterstatement

3. In its Counterstatement filed on 20 February 2004 the Applicant denied that the similarities between the marks in issue and the goods in issue were liable to give rise to the existence of a likelihood of confusion as alleged for the purposes of section 5(2)(b) or a likelihood of misrepresentation as alleged for the purposes of section 5(4)(a).

The Hearing Officer's Decision

4. The opposition came on for hearing before Mr. M. Reynolds acting on behalf of the Registrar of Trade Marks on 23 May 2006. In his written decision issued under reference BL 0-148-06 on 8 June 2006 the Hearing Officer upheld the opposition in relation to all of the goods which the Opponent had singled out for objection. He did so under section 5(2)(b) without giving separate consideration to the position under section 5(4)(a) because it was '*common ground at the hearing that this is not a case where section 5(4)(a) gives rise to materially different issues to section 5(2)(b)*'. He ordered the Applicant to pay £2,200 to the Opponent as a contribution towards its costs of the Registry proceedings.

5. The Hearing Officer's findings (as summarised by me) were as follows:

(1) The goods in issue are identical in terms of the relevant specifications. The goods of particular interest to the parties from a commercial point of view are identical in the sense that they are both using their trade marks for '*medicines known as calcium antagonists which are used in the treatment of high blood pressure (hypertension). The active substance in each is felodipine. Both marks are used in relation to extended release formulations of felodipine…*' (paragraphs 15 and 16).

(2) The Opponent's mark **PLENDIL** is an invented word with an inherently strong distinctive character and a reputation acquired through use in relation to calcium antagonist products (paragraphs 17 to 19).

(3) The Applicant's mark **FELENDIL** is an invented and distinctive word in which the first 3 letters hint at the active ingredient felodipine (paragraph 20).

(4) Visually the marks are similar (having 7 and 8 letters respectively, with 6 letters in common in the same sequence) but their common features are somewhat counterbalanced by the different opening combination of letters (paragraph 24).

(5) The marks have greater aural/oral similarity. Although **PLENDIL** is a 2 syllable word and **FELENDIL** would be a 3 syllable word if fully and carefully articulated, audible compression (as in the case of words such as **D(E)LINQUENT** and **ASP(I)RIN)** would be liable to result in the latter word being pronounced and heard as **F(E)LENDIL**. Normal intonation on audible enunciation would in each case result in emphasis being placed on the elements which the words **PLENDIL** and **F(E)LENDIL** have in common (paragraph 25).

(6) Conceptual considerations are likely to be subsidiary to visual and aural considerations in the case of invented pharmaceutical names, and were of 'neutral' significance in the present case (paragraph 26).

(7) The 'average consumer' of the goods in issue would vary according to whether they were being purchased, distributed, prescribed, dispensed or administered and would accordingly include medical practitioners, pharmacists, pharmaceutical wholesalers and distributors, administrative staff and members of the public as purchasers or patients (paragraphs 27 to 31).

(8) These various 'consumers' would bring differing levels of knowledge, experience and discrimination to bear in their dealings with the goods (paragraph 32).

6. His overall assessment of the likelihood of confusion was as follows:

> 40. In summary, the position is that the marks are to be used in relation to identical products. Thus, the applicant's FELENDIL felodipine product will be marketed in completion with the opponent's PLENDIL felodipine product. The marks have a high degree of distinctive character. There are significant similarities between the marks but also differences in the important first element. Aurally, for the reasons given, they are somewhat closer. There is no single homogenous group of consumers. I must allow for the varying degrees of knowledge and brand discrimination that will be exercised by medical professionals at one end of the spectrum and ordinary members of the public at the other. The risk of imperfect recollection must be allowed for and is of importance.
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> 41. I should just add that no point has been taken on whether a higher or lower threshold test applies in relation to pharmaceutical products. I propose to follow Professor Annand's approach in *Oropram/Seropram* where she came to her view:
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> > "……without engaging in the debate whether a higher or lower threshold needs to be reached before confusion can be established in conflicts between pharmaceutical trade marks. For my own part, I do not believe that different standards exist or are necessary to exist. The test of likelihood of confusion is flexible enough to allow each case to be judged according to its own peculiar facts. Relevant considerations may include those mentioned by the First Board of Appeal in *TEMPOVATE/EMOVATE, EUMOVATE*, supra., namely that some medicinal products are administered over the counter without prescriptions, some consumers resort to self-prescriptions and professionals are often overworked and may write prescription in hardly legible handwriting (although drugs

> may be prescription only, professionals may be on hand to assist choice with OTC products and pharmacists usually check illegible prescriptions)."
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> 42. It is well established that there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character and also that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and vice versa.
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> 43. I have found this to be a finely balanced decision. Not without hesitation I find that the effect of the above considerations points to a likelihood of confusion. Even if the different first elements to the marks was sufficient to overcome direct confusion I consider that sequential rather than concurrent acquaintance with the marks (particularly by non-professionals) coupled with the fact that the goods are of the same composition and directed at the same clinical need points at the very least to an association in the sense that the public would wrongly believe that the respective goods came from the same or economically linked undertakings or that one product was a development or revised formulation of the other. The opposition succeeds under Section 5(2)(b).

It can be seen that the likelihood of confusion was assessed with reference to '*felodipine products*' of '*the same composition and directed at the same clinical need*'.

The Appeal

7. The Applicant appealed to an Appointed Person under section 76 of the 1994 Act contending, in substance, that the differences between the marks in issue were sufficient to enable them to co-exist in the market for pharmaceutical preparations without giving rise to the existence of a likelihood of confusion. This was said to have been borne out by:

(1) the fact that the Applicant had been marketing pharmaceutical preparations under the mark **FELENDIL** in the United Kingdom since October 2003 and had sold approximately 600,000 packets of tablets under the mark between that date and January 2005; and

(2) the fact that there was no evidence of instances of confusion having arisen between **FELENDIL** and **PLENDIL**.

In support of its position, the Applicant maintained that in the case of pharmaceutical preparations the relevant average consumer is likely to pay a high degree of care and attention to the product and its name.

The Cross-Appeal

8. Shortly before the hearing of the Appeal, the Opponent attempted to launch a Cross-Appeal in respect of 3 matters on which it had failed to persuade the Registry to make orders in its favour during the interim stages of the proceedings below. I refused to entertain the proposed Cross-Appeal for the reasons given in the ruling I delivered at the hearing on 9 November 2006 (BL 0-334-06).

Decision

9. Article 13 of Directive 89/104/EEC of 21 December 1988 provides as follows:

> Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.

The underlying principle is clear: as and when the need for corrective action arises, the list of goods or services covered by a trade mark application or registration should be reduced so far as necessary to confine it to goods or services for which the trade mark in question is fully registrable. Article 13 does not, in itself, provide the Registrar with the power to take the steps necessary for the attainment of that objective. It sets the agenda for the exercise of the powers available to him under the pertinent provisions of the Trade Marks Acts 1994 and the Trade Marks Rules 2000. The operative obligation is an obligation to interpret and apply those provisions so far as possible in conformity with the requirements of Article 13.

10. In paragraphs 32 to 34 of its Judgment in Case C-239/05 BVBA Management, Training en Consultancy v Benelux-Merkenbureau (15 February 2007) the ECJ confirmed as follows:

> 32. The Court has also held that, where registration of a mark is sought in respect of various goods or services, the competent authority must check, in relation to each of those goods or services, that none of the grounds for refusal listed in Article 3(1) of the Directive applies to the mark and may reach different conclusions depending on the goods or services in question (*Koninklijke KPN Nederland*, paragraph 73).
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> 33. Moreover, Article 13 of the Directive provides that, where grounds for refusal of registration of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for, refusal of registration is to cover those goods or services only.
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> 34. It follows, firstly, that an examination of the grounds for refusal listed in Article 3 of the Directive must be carried out in relation to each of the goods and services for which trade mark registration is sought and, secondly, that the decision of the competent authority refusing registration of a

> trade mark must, in principle, state reasons in respect of each of those goods or services.

11. The Hearing Officer was thus required to assess the likelihood of confusion under section 5(2)(b) on the basis of a comparison between the trade mark **PLENDIL** and the trade mark **FELENDIL** assuming normal and fair use of the marks for all goods of the kind specified in the earlier trade mark registration ('*pharmaceutical preparations and substances*') and all goods of the kind to which the Opponent objected in the specification of the opposed application for registration ('*pharmaceutical preparations; sanitary preparations for medicinal purposes; dietetic substances adapted for medical use*'). The assessment had to be made on the basis of assumed use of the trade mark **PLENDIL** for which there was no corresponding actual use save in relation to products having the active ingredient felodipine for the treatment of angina and hypertension from June 1991 and on the basis of assumed use of the trade mark **FELENDIL** for which there was no corresponding actual use save in relation to products having the active ingredient felodipine for the treatment of angina and hypertension from October 2003.

12. I have already noted that the Hearing Officer made his assessment with reference to the particular products for which there had been actual use of the trade marks **PLENDIL** and **FELENDIL**. Those products were taken as a litmus test for the contested specification as a whole. The parties did not challenge the utility of that approach at the hearing before me. The Applicant maintained that the Hearing Officer should have followed it through to the conclusion that the incidence of concurrent use without evidence of any resulting confusion was sufficient to demonstrate that the two trade marks could be used concurrently in relation to pharmaceutical products of the same kind

without giving rise to the existence of a likelihood of confusion. This called for a finding that the Opponent's objections should yield to the reality of 'peaceful co-existence': cf Case T-31/03 Grupo Sada pa SA v OHIM [2005] ECR II-1667 paragraph 86; Case T-29/04 Castellblanch SA v OHIM (8 December 2005) paragraphs 71 to 74; Case T-346/04 Sadas SA v OHIM (24 November 2005) paragraphs 62 to 64.

13. There is no reference to any plea of peaceful co-existence in the Counterstatement filed on behalf of the Applicant on 20 February 2004. The point is not mentioned in the Applicant's Skeleton Argument for the hearing which took place in the Registry on 23 May 2006. It appears from the absence of any reference to the point in the Hearing Officer's decision that little or no attention was paid to it at that hearing. The Opponent objected to the raising of it for the first time on appeal. I think the point should have been put forward as a distinct issue for determination in the proceedings below. I none the less propose to deal with it for the sake of completeness on this appeal.

14. So far as the evidence is concerned, the case relating to peaceful co-existence rests on paragraph 7 of the Witness Statement of Alexandra Bate (the Regulatory Affairs Manager of Ratiopharm UK Ltd) in which she gave evidence for the Applicant in the following terms:

> My Company's mark has been in use in the United Kingdom since October 2003 and since this time approximately 600,000 units of goods bearing the Applicant's Trade Mark have been sold in Great Britain. Since this time the Opponent has not drawn my Company's attention to any incidents of actual confusion having arisen by virtue of use of the mark FELENDIL (or Felendil) in the face of the Opponent's mark. Further, the Opponent has offered no evidence of actual damage to its business goodwill or any evidence to show that damage to its business goodwill would be likely to be

> sustained as a direct consequence of the use by the Applicant of the mark FELENDIL (or Felendil) in relation to the relevant goods. The Opponent's evidence may show at most that a degree of business goodwill exists by virtue of use of the Trade Mark "PLENDIL", but no facts have been established to show that the Applicant is guilty of any misrepresentation or that damage to the goodwill enjoyed by the Opponent has occurred or is likely to occur.

15. It is appropriate to evaluate this evidence with the following considerations in mind. In The European Ltd v. The Economist Newspaper Ltd [1998] FSR 283 (CA) at p. 291 Millett LJ pointed out that:

> Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark.

More broadly in paragraph 22 of his judgment in Compass Publishing BV v. Compass Logistics Ltd [2004] RPC 41, p. 809 Laddie J. observed:

> It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market-place but no confusion has been caused, then there cannot exist a likelihood of confusion under Art. 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s. 10(2). So, no confusion in the market-place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the

> former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.

The evidence as to co-existence should be strong enough to carry the inference that the co-existence has been peaceful, as emphasised in Phones 4U Ltd v. Phone 4u. co. uk Internet Ltd [2007] RPC 5 (CA) at paragraphs 42 to 45 by Jacob LJ:

> 42. I quite agree that evidence of substantial side-by-side trade without significant confusion or deception gives rise to a powerful inference that there is no such confusion or deception. It was the determining matter for the judge, see [157]-[158]. And it was the primary point in Miss Lane's skeleton argument which began:
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> > 'This was an unusual case and, on superficial analysis, a surprising result. However, the explanation is simple: it turned on the evidence. More particularly, the claimants lack thereof.'
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> She developed the point further, saying later: "this then, was the case of the dog which did not bark."
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> 43. But if one has no idea of the extent of side by side user, then, the inference of no deception cannot be drawn. You have to show there is a dog who could have barked.
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> 44. Here Mr. Heykali's evidence simply does not establish enough material to draw the inference of no deception. Mr. Heykali's evidence in chief gave no details of the extent of his trade. Nor was there disclosure of accounts, VAT returns, or amounts of sales. Mr. Hicks, for Caudwell, sensibly asked no questions about extent of trade. During the course of argument we asked about this. In response, to show sales, Miss Lane produced a bundle of documents which had been disclosed prior to trial. Mr. Miller analysed these: they amounted to only 28 mobile phones over a period of about 8 months - and one of these was to Mr. Heykali himself. This was all during the period of about a year when he had a shop called Mobile Communication Centre in Balham - a shop which failed.

> 45. Once the shop failed, there is simply no real evidence at all as to the nature and extent of Mr. Heykali's business. There were no retail premises. He did not advertise. What happened is simply unknown. I see no justification for the inference of non-deception drawn by the judge. He said:
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> > '[137] My own 'common sense' reaction to the issue was initially, and before I heard the evidence, that Mr. Heykali's domain name and trading style which adopted that domain name was so similar to Phones 4u that it was likely to cause deception.'
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> He only displaced his 'common sense' view by reason of the absence of instances of deception in the five and-a-half year period of 'side by side' user. But if Mr. Heykali's trade was exiguous - and such evidence as there was suggested it was - there was but limited opportunity for instances where someone actually bought from Mr. Heykali thinking he or she was dealing with Caudwell. It should also be remembered here that it is seldom the case that all instances of deception come to light - the more perfect the deception the less likely that will be so.

16. In the present case the Applicant seeks to say that the absence of any evidence indicative of instances of confusion is indicative of the absence of any instances of confusion in the context of what should, in its view, be regarded as substantial parallel use of the trade marks **PLENDIL** and **FELENDIL** in the United Kingdom. So the question naturally arises: why should it be accepted, in the particular circumstances of the present case, that confusion would have been detectable and that no instances of confusion were detected because there were none to detect? The evidence does not go into these matters. It also fails to demonstrate substantial exposure of the trade mark **FELENDIL** to the various types of 'consumer' whose perceptions the Hearing Officer regarded as relevant (see paragraphs 5(7) and 5(8) above). It is estimated on behalf of the Opponent that sales of **FELENDIL** accounted for 0.63% or less of NHS spending on antihypertensives in the calendar year 2004: paragraph 3.27 of Exhibit SW1 to the

Witness Statement of Stephen White dated 25 April 2005. There is no evidence of any marketing or promotional effort or expenditure in relation to the **FELENDIL** product. There is also no evidence of any checking by the Applicant (or the Opponent) as to the perceptions and recollections that were actually triggered by the trade mark **FELENDIL** in the minds of people who had been exposed to the use of it in parallel with the use of the trade mark **PLENDIL**. In my view, the evidence as to co-existence is simply too flimsy to carry the inference that there has been peaceful co-existence in relation to the particular products for which the two trade marks have actually been used.

17. The Hearing Officer's assessment under section 5(2)(b) was principally contested on the basis that it gave insufficient weight to the differences between **FELENDIL** on the one hand and **PLENDIL** on the other. It was maintained that he had erred by not recognising that the various types of 'consumer' he had identified (see paragraphs 5(7) and 5(8) above) could be expected to pay a high degree of care and attention to the products and their names. Counsel for the Applicant argued for reversal of the Hearing Officer's decision upon that basis rather than upon the basis that the Hearing Officer had erred by not confining himself to an assessment of the perceptions of 'healthcare professionals': cf paragraphs 48 to 53 of the Opinion delivered by Advocate General Kokott in Case C-412/05P Alcon Inc v OHIM (26 October 2006).

18. The fact that **PLENDIL** and **FELENDIL** antihypertensives are prescription only medicines does not, in my view, lead to the conclusion that the assessment under section 5(2)(b) must be approached on the basis that the only relevant 'consumers' are healthcare professionals. The goods in issue are specified in terms which cannot be regarded as expressly or impliedly limited to prescription only medicines.

19. The Hearing Officer proceeded upon the basis that:

> There is no single homogenous group of consumers. I must allow for the varying degrees of knowledge and brand discrimination that will be exercised by medical professionals at one end of the spectrum and ordinary members of the public at the other. The risk of imperfect recollection must be allowed for and is of importance.

I do not think he can be faulted for adopting that approach cf. Case T-256/04 Mundipharma AG v. OHIM (13 February 2007) at paragraphs 44, 45. He did not attempt to describe the particular degree of knowledge, attentiveness and circumspection which could be expected of end consumers of the products he had in mind cf. Mundipharma at paragraphs 46, 47. He dealt with the matter in relative terms:

> It is highly probable that the various groupings of consumers identified above will bring different levels of knowledge and experience to bear. Medical professionals are likely to be more knowledgeable and discriminating than the end consumer. Intermediaries, such as wholesalers, probably occupy a middle ground having some knowledge but not that of medical professionals. Strictly there is no evidence before me on this latter point but this seems to me to be the probable position.

I think he was right to adopt that approach in circumstances where the required assessment had to be made upon the assumption that **PLENDIL** was being used for *'pharmaceutical preparations and substances'* concurrently with **FELENDIL** for *'pharmaceutical preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use'*. I do not think the particular degree of knowledge, attentiveness and circumspection which might be attributed to end consumers of antihypertensive products was the right overall standard to adopt in the absence of any

request by the Applicant to revise the wording of the contested specification of goods so as to restrict it to antihypertensive products (or pharmaceutical products of similar importance to the health and well being of the patients by whom they would be consumed). In general terms, I do not accept that a high degree of care and attention to the product and its name should be assumed in relation to all relevant 'consumers' of all 'pharmaceutical preparations'.

20. At this point the outcome of the opposition depends on the power of the elements **PLEN-** and **FELEN-** to dissociate the trade marks **PLENDIL** and **FELENDIL** in the perceptions and recollections of 'consumers' of 'pharmaceutical preparations' at large. Differences at the beginning of words may have that effect in relation to the words as a whole. Then again they may not, as exemplified by the cases in which there were findings of conflict between **INADINE** and **ANADIN** (Johnson & Johnson's Application [1992] RPC 421), **VICROM** and **EYE-CROM** (Fisons Plc v. Norton Healthcare Ltd [1994] FSR 745) and **OROPRAM** and **SEROPRAM** (Omega Farma EHF's Application BL 0-208-02, 8 May 2002). The Hearing Officer came to the conclusion that **PLENDIL** and **FELENDIL** should likewise be viewed as too similar to be usable concurrently in relation to pharmaceutical preparations without giving rise to the existence of a likelihood of confusion. He considered the matter with care and, as I have found, in accordance with the correct approach. He is one of the most experienced of the Registrar's hearing officers. I am not prepared to say that his decision was wrong. I think he was entitled, on weighing the factors that needed to be weighed, to reach the decision that he did.

21. In the result the appeal will be dismissed. I direct the Applicant to pay £2,000 to the Opponent as a contribution towards its costs of the appeal. That sum is to be paid

within 21 days of today's date. It is payable in addition to the sum of £2,200 awarded by the Hearing Officer in relation to the costs of the proceedings in the Registry.

Geoffrey Hobbs Q.C.

14 March 2007

Mr. James Abrahams instructed by Messrs. Stevens, Hewlett & Perkins appeared as Counsel for the Applicant.

Mr. Mark Engelman instructed by Messrs. Wildbore & Gibbons appeared as Counsel for the Opponent.

The Registrar was not represented.