

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2149391
by Novopharm Limited to register a trade mark
in Class 5**

**AND IN THE MATTER OF Opposition thereto
under No 48989 by Novo Nordisk A/S**

DECISION

1. On 27 October 1997, Novopharm Limited applied to register the trade mark NOVOPHARM in Class 5 in respect of:

“Pharmaceutical and medicinal preparations and substances; anti-histamines, anti-infective agents, antibiotics, anti-inflammatory plasmocides, autonomic agents, anti-anaemia preparations, cardiovascular preparations; preparations for the treatment of the central nervous system, analgesics, anti-convulsants, psychotherapeutic agents; electrolytic, caloric and water balance agents; preparations for the ears, nose and throat; gastro intestinal preparations, spasmolytics; vitamin and mineral preparations.”

2. On 10 September 1998, Novo Nordisk A/S of Denmark filed Notice of Opposition. The opponent points out that it is the proprietor of a number of marks incorporating the word NOVO that are registered in the UK from an earlier date than that of the application in suit. On the basis of these registrations the opponent contends that the applicant's mark is similar, that the respective goods are identical or similar, and that as a consequence, there is a likelihood of confusion on the part of the public, including a likelihood of association with the opponent's earlier trade marks. It is submitted that registration of the applicant's mark would therefore be contrary to section 5(2)(b) of the Trade Marks Act 1994.

3. The opponent also has one of its earlier registered UK trade marks [NOVO NORDISK] also registered as a Community trade mark, but this adds nothing to the opponent's case.

4. The opponent claims to have built up a considerable reputation in respect of pharmaceutical preparations and substances of various kinds. In the result the opponent contends that use by the applicant of the mark applied for is liable to be prevented by the law of passing-off. The opponent contends that registration of the applicant's mark would therefore be contrary to section 5(4)(a) of the Act.

5. In support of these grounds the opponent submits that:

“... considerable care needs to be taken in ensuring that pharmaceutical products are clearly demarcated and that there is no resemblance with other pharmaceutical products either visual or phonetic. The consequences of incorrect pharmaceutical products being dispensed leads to both serious product liability issues and could

result in dire consequences to the health and lives of the patient population.”

6. The opponent further pleaded that, in the light of its established reputation in the earlier trade marks, the application was made in bad faith and should therefore be refused under section 3(6) of the Act.
7. The applicant filed a Counterstatement in which it accepts the existence of the opponent's earlier trade marks, but denies all the grounds of opposition.
8. Both sides seek an award of costs.
9. The matter came to be heard on 14 September 2001 when the applicant was represented by Mr J Mellor of Counsel, instructed by Withers & Rogers, and the opponent was represented by Mr M Edenborough, instructed by Forrester Ketley & Co.
10. Mr Edenborough signalled in his skeleton argument that the opponent considered the principal ground of opposition to be under section 5(2)(b) of the Act. He indicated that the opponent did not intend to press the other grounds under sections 3(6) and 5(4)(a) of the Act. I believe that Mr Edenborough's approach to the matter is both sensible and correct. In particular, there is no evidence or circumstances which could support the allegation of bad faith.

SECTION 5(2)(b)

11. Section 5(2)(b) is as follows:

"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."

12. The opponent relies in particular upon its earlier UK registrations of the following trade marks in Class 5:

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| 1 387 604 | NOVO NORDISK: Pharmaceutical, veterinary and sanitary substances. |
| 794 977 | NOVOJECT: Pharmaceutical products. |
| 1 268 344 | NOVOLIN: Anti-diabetic preparations. |
| 1 309 676 | NOVOCARE: Goods for use in the treatment of diabetics. |
| 1 373 039 | NOVOSTASE: Pharmaceutical preparations. |
| 1 422 562 | NOVOLET: Antidiabetic preparations. |

| | |
|-----------|---|
| 1 438 944 | NOVO NORDISK GlucaGen: Gluagon included in Class 5 for in-vivo diagnosis and therapeutic purpose. |
| 1 448 113 | NOVOSEVEN: Pharmaceutical preparations and substances. |
| 1 149 636 | NOVONORM: Anti-diabetic preparations (NORM disclaimed). |
| 1 518 647 | NOVO NORDISK (device): <i>inter alia</i> , Pharmaceutical preparations. |

13. The opponent also relies upon registrations in Class 10 of NOVOPEN for "syringes for medical, surgical, dental or veterinary use, and parts and fittings therefor" and of NovoFine for "Hypodermic needles for injection".

14. A number of the opponent's marks in Class 5 are registered for pharmaceutical substances or preparations *per se*. All the goods listed in the applicant's specification, except "vitamin and mineral preparations" appear to fall within this description. To that extent the respective goods must be considered identical.

15. The opponent also has a number of registrations in Class 5 for anti-diabetic preparations (or like descriptions) which also fall within the applicant's specification. In the case of these earlier trade marks, the applicant's specification covers identical goods and other goods which may be considered similar and, in some cases, dissimilar. It is sufficient at this stage to note the latter point and to consider first the case where the respective goods must be considered to be identical.

16. I approach the matter taking account of the following guidance from the European Court of Justice (ECJ) in Sabel BV v Puma AG (1998 RPC 199 at 224), Canon v MGM (1999 ETMR 1) and Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV (1999 ETMR 690 at 698) and Marca Mode CV v Addidas AG & Others (2000 ETMR 723):

- a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- b) the matter must be judged through the eyes of the average consumer, of the goods/services in question, 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;
- c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- 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;
- e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;
- 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;

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);

h) but if the association between the marks results in a likelihood that the average consumer will 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;

i) A positive finding of a likelihood of confusion is required; even where the earlier mark enjoys a reputation with the public, it is not sufficient to find that confusion cannot be ruled out because of a likelihood of association.

The “Family of Novo Marks” Argument

17. It is readily apparent that all the opponent’s earlier trade marks share the prefix (or in the case of NOVO NORDISK, the first word) - NOVO. The opponent’s primary submission is that by virtue of its proprietorship of a "family" of NOVO marks, that prefix has become distinctive of its goods with the result that there is a likelihood of confusion with the applicant’s mark.

18. In support of this submission, Mr Edenborough referred me to a decision of the Opposition Division at OHIM in case number 85/99, in which the Opposition Division held:

"The fact that the opponent is the owner of a series of marks which - like the CTM application, all consist of the component ‘LISA’ and a component indicating the function or quality, will increase the likelihood of confusion, including the likelihood of association, as the relevant public, being confronted with the mark LISA DELUXE, may think that it concerns a new product in the series of ‘LISA’ -products."

19. I do not understand how the fact of multiple registrations of marks with a common feature could have the effect of increasing the likelihood of confusion between those trade marks and a later trade mark sharing the same feature in the name of a different party. The likelihood of confusion may be increased by reputation but cannot depend on the number of earlier registrations of marks with a common feature achieved by the opponent.

20. For this part, Mr Mellor relied upon some comments by Simon Thorley QC sitting as the Appointed Person in the ENER-CAP Trade Mark case [1999] RPC 362, as support for the proposition that the "family of marks" argument cannot have any bearing on a Section 5(2)(b) objection, which requires a comparison between the opponent’s earlier trade marks in a sequential rather than collective manner.

21. As Mr Edenborough pointed out, there was no evidence of use of the earlier trade marks which required a decision on whether any reputation sufficient to enhance the distinctive character of the earlier marks could be properly taken into account under Section 5(2) of the Act.

22. More recently (17 September 2001 - Case 0-411-01) another Appointed Person, Professor Ruth Annand, has commented on a similar point in The Infamous Nut Company Limited v Percy Dalton (Holdings) Limited. Professor Annand stated that:

"Section 5(2)(b) speaks of registration being refused on the basis of an earlier trade mark (as defined by Section 6). Thus where the opponent relies on proprietorship of more than one earlier trade mark, the registrability of the applicant's mark must be considered against each of the opponent's earlier trade marks separately (ENER-CAP Trade Mark [1999] RPC 362).

In some circumstances, it may be possible for the opponent to argue that an element in the earlier trade mark has achieved enhanced distinctiveness in the eyes of the public because it is common to a "family of marks" in the proprietorship and use of the opponent (AMOR, Decision no 189/1999 of the Opposition Division, OHIM OJ 2/2000, p.235). However, that has not been shown by the evidence to exist in the present opposition and cannot, as contended by Mr Walters on behalf of the opponent, be presumed from the state of the register in Classes 29 and 31."

23. I respectfully agree with that statement. It correctly places the enquiry on a mark to mark basis whilst recognising that it may be possible for an opponent to show that a feature within a particular mark has achieved enhanced distinctiveness because of the use of that feature in earlier marks, including the earlier mark in question. This approach appears consistent with the guidance of the ECJ in Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV to the effect that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings."

24. This brings me to the opponent's evidence of its reputation. The opponent's evidence is contained in a statutory declaration of Ingelise Saunders, who is a Director of NOVO Nordisk Pharmaceuticals Limited, a wholly owned subsidiary of the opponent. Ms Saunders states that:

"My Company distributes pharmaceuticals in the United Kingdom under various Trade Marks comprising NOVO ..."

25. Ms Saunders provides turnover figures for "the products" provided under "the Trade Marks" (which are not defined in the statutory declaration). The figures are large. In 1992 the opponent's turnover was nearly £39M. By 1996, the last full year prior to the relevant date, turnover had increased to over £70M. Ms Saunders does not expressly claim that this turnover is limited to a trade in the United Kingdom. One has to infer this from the statement quoted above and her further statement that:

"My Company has effected sales of goods of Marks comprising the word NOVO

throughout most major towns and cities in the United Kingdom."

26. Ms Saunders also provides details of the amounts her company spent "in advertising, producing promotional literature and appearing at exhibitions" for the years 1992 to 1998. These figures are also large. The figure for 1996 is £6M. Once again one is left to infer that this claim relates exclusively to the promotion of the (undefined) NOVO marks in the UK.

27. Mr Edenborough directed my attention to the exhibits to Ms Saunder's declaration which provide rather more detailed information than her declaration. It appears that the opponent's main business is as a producer of drugs for diabetes treatment and care. Indeed the opponent's 1998 Annual Report describes the company as the world leader in diabetes care. By 1996, the opponent also appears to have produced a drug for the treatment of haemophilia.

28. Exhibit IS3 to Ms Saunders declaration is said to comprise:

"..... literature and sample packaging illustrating the pharmaceutical products sold under the various Trade Marks."

29. Much of the material in this exhibit is either undated or dated after the relevant date in these proceedings. Of the material that is dated before the relevant date, it appears from two documents dated 1996 that the mark "Novo Seven" was in use at that time in relation to the opponent's haemophilia drug. The mark NOVOCARE appears in another document dated 1996. It seems to be used in respect of the opponent's information and support services for healthcare professionals treating diabetic patients rather than in relation to any goods. Within the same brochure there is one reference to "NovoFine" needles and another to a NovoPen (which I believe to be an instrument used by diabetic patients to inject insulin). The company name NOVO NORDISK appears in all three documents.

30. Ms Saunders also exhibits (at IS7) the results of a search of the IMSMARQ "in use" database conducted in March 1999. The search was directed at finding marks with the prefix NOVO. Both hits - GLUCAGON NOVO and NOVOSEVEN - are trade marks of the opponent. The former does not appear to be a registered trade mark. I do not find the search results to be of much assistance in establishing the position at the relevant date of October 1997. This is because this search was undertaken in 1999

31. The same criticism applies to the other material which makes up exhibit IS7; namely extracts from MIMS (which although I am not told, I believe to be an industry guide to trade marks and trade names in use in the pharmaceutical industry). The extract appears to come from 1999 (it includes a mark - NOVONORM - which the opponent accepts it did not introduce into the UK until the end of 1998). The opponent's marks NOVOSEVEN, NOVOPEN and NOVOFINE are also listed.

32. The opponent's evidence is sufficient to establish that there was some use of the marks NOVOSEVEN, NOVOFINE, NOVOCARE and NOVOPEN in the UK prior to the relevant date, but it sheds no light on the extent of the use of any of those marks. The turnover figures the opponent provides are large, but without any clear idea of how those figures relate to any of the opponent's individual trade marks, it is not possible for me to conclude that the use has

enhanced the distinctive character of any particular mark or that there has been widespread use of a family of marks with a common NOVO feature which has served to enhance the distinctiveness of this feature in all or any of the opponent's earlier trade marks. Consequently, I must compare the applicant's mark with the opponent's mark without assuming that the earlier marks, or any feature of them, had acquired a specially distinctive character at the relevant date.

The Significance of the Opponent's Disclaimer of Norm in the mark NovoNorm

33. Because the opponent's case is based primarily upon its "family" of NOVO marks argument, Mr Edenborough was unable to say that any one of the opponent's marks represented its "best case" in terms of similarity to the applicant's mark. The only mark Mr Edenborough singled out for particular attention was NovoNorm. As I understood him, the sole reason for focussing on this mark was that it carried a disclaimer of any exclusive rights in the word "Norm". Mr Edenborough submitted that following my decision in PACO/PACO LIFE IN COLOUR TRADE MARKS (2000) RPC 451 and the resultant Practice Amendment Circular 3/00, the effect of the disclaimer of "Norm" was a "concession" by the registered proprietor that "Novo" was the distinctive part of this earlier trade mark.

34. I believe that this submission is based upon a misunderstanding of the role of disclaimers and the reasons for my decision in the PACO trade mark case. Disclaimers operate negatively. They identify the elements of the mark that the proprietor admits are not distinctive. It would therefore be inequitable to allow a registered proprietor to assert that there is a likelihood of confusion with a later mark based solely upon the presence in the later mark of some feature which is the same or similar to the feature of the earlier mark that was disclaimed at the time of registration. Disclaimers do not have the positive effect of identifying the element(s) in a mark that are distinctive. Thus the disclaimer of "Norm" in NovoNorm does not have the effect of giving the proprietor an exclusive right in "Novo". It simply means that he has no exclusive right in "Norm". The proprietor has, of course, exclusive rights in NovoNorm.

Comparison of the Marks

35. The opponent has a number of marks in Class 5 which are registered for some or, in the case of marks such as NovoJect or NovoStase, most of the applicant's goods. NovoNorm is in the same category, except that it is registered for a narrower range of goods. These marks share the prefix NOVO and most have a suffix which alludes to some characteristic of the goods, eg JECT is the ending of "inject". This is why Mr Edenborough had difficulty in singling out any one of the opponent's marks as his "best case".

36. Taking NovoJect first, I have already noted that the suffix is allusive. According to Mr Edenborough, this means that more attention will be focussed on the prefix of the earlier mark(s). In this respect he points out that the suffix of the applicant's mark [-PHARM] is also allusive because it is composed of the beginning of the descriptive word 'pharmaceutical'. That cannot be disputed.

37. The distinctiveness of the prefix NOVO is the subject of dispute between the parties. I have already mentioned the opponent's evidence as to the use of its "NOVO" marks. Ms

Saunders claims that of the eight marks in the MIMS index beginning with NOV-, five were in the ownership of the opponent (NOVOPEN and NOVOPENS were counted as two), and three were in the ownership of other parties, one of which had been discontinued. However, as the MIMS list in question appears to come from 1999, whereas the relevant date is in 1997, I do not find this of much assistance. The discontinuation of one of the products points to the difficulty in using this material to establish the position as at an earlier date.

38. The applicant also filed some "state of the register" evidence suggesting that NOVO is a relatively common feature in registered trade marks. However, in the absence of evidence as to the use of these marks, I find this information to be of little assistance for the reasons set out by Jacob J in British Sugar plc v James Robertson & Sons Ltd (1996) RPC 281.

39. I believe that NOVO is one of the few Latin words which is likely to be understood by a significant proportion of the public. Particularly, in the medical field it is likely to be understood as meaning "new". Whilst it is not without distinctive character, it is not therefore as distinctive as a wholly arbitrary or capricious word.

40. In these circumstances it appears to me that the degree of similarity between NovoJect and NOVOPHARM is relatively low, both to the eye and to the ear. Neither mark, considered as a whole, has any obvious conceptual identity which could affect the likelihood of confusion.

41. I believe the same could be said of any of the opponent's other earlier trade marks. There is no denying that NOVO is prominent in the opponent's NOVO NORDISK registrations, but considered as a whole I regard this mark to be less similar to NOVOPHARM than the others in Class 5 because NORDISK is a strong distinguishing element.

Assessment of Likelihood of Confusion - Who is the average consumer for pharmaceuticals?

42. In assessing whether the degree of similarity between the respective marks is sufficient to give rise to a likelihood of confusion it is necessary to consider who the average consumer is and to make an appropriate allowance for defective recollection.

43. The applicant's specification covers a wide range of goods some of which would only be available on prescription, whilst others would be available over-the-counter. Some of the opponent's marks are also registered for a similarly wide range of goods. Others, such as anti-diabetic preparations, are likely to be available only on prescription. There is some evidence in the exhibits to Ms Saunders' declaration that the opponent's goods are prescription drugs.

44. The average consumer may therefore be either an ordinary member of the public purchasing an over-the-counter product or a medical professional prescribing a prescription drug.

45. With regard to the over-the-counter products, I do not believe that there are any special circumstances which suggest that the average consumer pays a particularly high or low level of attention to the selection of such goods. They are not casual "bags of sweets" cases but

neither are they expensive and important purchases, such as a motor car.

46. Allowing for an appropriate level of defective recollection, I do not believe that the average consumer is liable to confuse NovoJect (or any of the opponent's other marks) with Novopharm.

Is there a need for Greater Differentiation between Trade Marks in the Pharmaceutical field?

47. Mr Edenborough suggested that there may be a case for requiring a greater distance between marks where pharmaceutical products are concerned because of the danger to the public if mistakes are made. In this respect he referred me to the decision of the OHIM First Board of Appeal in case R501/1999-1, in which it was held that:

"It is arguable that in relation to certain pharmaceutical products there is an exceptional need for clear differentiation between trade marks on account of the grave consequences of consuming the wrong product. However, that consideration is not relevant in the present case, since the consequences of taking a pain-killer instead of a laxative, or vice versa, do not appear to be serious."

48. This suggests that the point - if it is relevant at all - does not apply to over-the-counter pharmaceuticals but rather to the sort of pharmaceuticals that, in the UK at least, would only be available on prescription.

49. The purpose of Section 5(2)(b) of the Act is to avoid the registration of conflicting marks that would result in a likelihood of confusion on the part of the public. As the ECJ has made clear, that likelihood is to be assessed by reference to the average consumer. I see no basis for concluding that, in the case of dangerous medicines, account should be taken of the fact that there are consumers who are not reasonably careful, well informed and circumspect. To adopt this approach would be to substitute the word "risk" for "likelihood" of confusion in section 5(2) of the Act..

50. In any event I note that in case R457/1999-3 OHIM's Third Board of Appeal stated that:

"... the Board does not share the appellant's argument that although diminished where the medicine is dispensed by a medicine doctor, the risk of confusion remains in view of the precarious conditions in which doctors have to work in many cases. Doctors are generally very attentive to slight differences between marks identifying medicines and are vigilant in avoiding confusion between different pharmaceutical products. In case of unclarity of the prescription, the pharmacist will ask the relevant doctor for clarification."

51. I would not go as far as to say that, in general, smaller differences than usual between trade marks will suffice where prescription drugs are concerned, but I believe that the involvement of a medical professional is at least sufficient to avoid any greater likelihood of confusion than would be the case for over-the-counter products. And where the respective goods are designed to treat different conditions, the involvement of a medical professional in

the selection and prescription of the products is likely to reduce the likelihood of confusion from the use of similar trade marks.

52. I conclude that there is no greater likelihood of confusion with regard to prescription drugs than I have found to be the case with regard to over-the-counter products.

Conclusion on Likelihood of Confusion

53. I do not believe that the similarity between the applicant's NOVOPHARM trade mark and any of the opponent's earlier trade marks is sufficient to find that there was a likelihood of confusion with any of the opponent's earlier trade marks at the relevant date, even where the respective goods are identical. Novopharm is sufficiently different to each of the opponent's marks to avoid a likelihood of confusion. In reaching this conclusion I have taken account of the various factors listed above and made some allowance for defective recollection.

54. The opponent has not shown that the prefix NOVO in its earlier trade marks had any special distinctive significance at the relevant date, and I do not believe that the prefix NOVO is inherently so distinctive that it would naturally drive the average consumer (whether they be ordinary consumers or medical professionals) to expect that any two marks sharing this prefix to signify goods from the same or economically linked undertakings.

55. For the reasons given above, the opponent's case under Section 5(2)(b) based upon its earlier trade marks fails, even where the respective goods are identical. It follows that the same objection must also fail where it is based upon earlier marks that are registered for goods which are only similar.

Limitation of the Applicant's Specification

56. Mr Mellor indicated that, as a fall back position, his clients would be prepared to exclude anti-diabetic preparations rather than see the application refused in full. In view of my earlier findings I do not believe this to be necessary. However, in case the matter goes further and I am found to have given insufficient weight to the opponent's evidence of reputation in assessing its case, I record here that Mr Mellor's fallback position would, in my view, have been sufficient to overcome any resulting objection under section 5(2)(b). This is because, even if the prefix NOVO had the special significance the opponent claims at the relevant date, that could only possibly have been the case in the market in anti-diabetic preparations.

SECTION 5(4)(a)

57. I do not believe that the opponent has any better case under Section 5(4)(a) of the Act. This ground also fails.

SECTION 3(6)

58. I indicated earlier that there is no evidence of circumstances which could support this objection. This ground must also be dismissed.

COSTS

59. Mr Mellor asked for the award of costs to be increased if his client was successful because of the unsatisfactory nature of the opponent's evidence and the additional time it had taken to analyse the contents of the exhibits to Ms Saunders' declaration in order to assess the weight of the evidence. Mr Edenborough resisted this on the grounds that the evidence, although less than perfect, was not significantly worse than is usual in Registry proceedings.

60. I believe that Mr Mellor has a point. It is not very often one has to go through the contents of bulky exhibits simply in order to work out which marks the opponent claims to have reputation in. Nevertheless, I do not believe the circumstances to be sufficiently exceptional to justify an award of costs off the usual scale. I therefore order the opponent to pay the applicant the sum of £1000 as a contribution towards their costs. This to be paid within seven days of the end of the period allowed for appeal.

Dated this 28TH day of November 2001

**Allan James
For the Registrar
The Comptroller-General**