

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2254508
BY BAYER AG TO REGISTER THE TRADE MARK
XAROCID IN CLASS 5**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 52473 BY MERRELL PHARMACEUTICALS INC**

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by Bayer AG to Register the Trade Mark
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**IN THE MATTER OF Opposition thereto
under No. 52473 by Merrell Pharmaceuticals Inc**

DECISION

1. On 1 December 2000 Bayer AG applied to register the mark XAROCID in Class 5 for a specification of goods which reads “pharmaceutical preparations and substances, diagnostic preparations and reagents for medical use”. The application is numbered 2254508.
2. On 30 April 2001 Merrell Pharmaceuticals Inc filed notice of opposition to this application. They are the proprietors of the mark TARGOCID under No. 1261737 registered in respect of pharmaceutical substances and preparations in Class 5. They also say they have made substantial use of this mark. As a result objections are raised under Section 5(2)(b) and 5(4)(a) of the Act.
3. The applicants filed a counterstatement denying the above grounds.
4. Both sides ask for an award of costs in their favour. Both sides filed evidence. The case was reviewed by a Hearing Officer who indicated that he considered a decision could be reached without a hearing. The parties were nevertheless reminded of their right to be heard or to make written submissions. In the event neither side asked for a hearing. The opponents filed written submissions. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

Section 5(2)(b)

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

“5.-(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.”

6. In determining the question under Section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *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*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v. Puma AG*, paragraph 23, 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.* paragraph 27;
- (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*, paragraph 23;
- (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*, paragraph 23;
- (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*, paragraph 17;
- (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*, paragraph 24;
- (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*, paragraph 26;
- (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*, paragraph 41;

- (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*, paragraph 29.

7. The evidence in this case is as follows:

Opponents' Evidence in chief:

Statutory Declaration by David Nicholls with Exhibits DN1-DN2.

Applicants' Evidence in support:

Witness Statement by Anne Wong with Exhibits ANW1-2

Opponents' Evidence in reply:

Witness Statement by David Nicholls.

8. Mr Nicholls' evidence addresses the opponents' use of their mark. Ms Wong's evidence consists largely of submissions together with dictionary evidence in relation to words commencing with XA and the results of searches of the UK and Community register intended to establish that the suffix CID is commonly used in relation to Class 5 goods. I will return to the details of the evidence at appropriate points below.

Comparison of Goods

9. As both the earlier trade mark registration and the application in suit have specifications containing the terms pharmaceutical preparations and substances there can be no doubt that identical goods are involved. The applied for specification contains other items (diagnostic preparations and reagents for medical use) which, if not identical, are likely to be closely similar.

Distinctive Character of the Opponents' Mark

10. The opponents' earlier trade mark, in common with the majority of pharmaceutical names, is an invented word. It enjoys a high degree of distinctive character. I infer that Mr Nicholls' evidence is directed towards establishing that the mark TARGOCID has an enhanced degree of distinctive character as a result of the use made of it. The main points to emerge from his evidence are as follows:

- the mark was first used in January 1990 and has been in continuous use since then;
- sales have ranged from £11 million to £15 million over the five years 1996 to 2000;

- promotional expenditure during that period has ranged from £169,000 to £749,000 (the levels have fluctuated over the years);
- TARGOCID is a specialist product that is only used in hospitals to treat serious/life threatening infections. It is said to provide clinical cure and improvement in over 85% of patients. It has been used in more than 50% of NHS Hospitals throughout the UK. The number of patients being treated with the TARGOCID product have progressively increased during the past three years from over 28,000 in the year ending May 2000 to over 37,000 in the year ending May 2002;
- the product is said to have enjoyed a 68% market share in the year to May 1999 and a 61% market share in the year to May 2000.

11. The exhibits to Mr Nicholls' evidence show specimen packaging labels and product literature as provided to clinicians. If I have correctly interpreted the literature provided TARGOCID is used in relation to what is best described as an antimicrobial drug.

12. In *DUONEBS* Trade Mark, BL O/048/01, Mr S Thorley QC, sitting as the Appointed Person, said:

“In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark.”

13. On the bare facts set out by Mr Nicholls TARGOCID appears to have enjoyed significant sales reflected in a high market share. The difficulty I have with the evidence is that there is nothing from independent sources to support the bare claims. I am unable, therefore, to judge the impact of the brand against competing products. The market share indicator might be thought to be a powerful argument in the opponents' favour but it begs the question as to 'what market?'. If the market is sufficiently narrowly defined then it may be that there are only a small number of products with similar formulations and similar clinical indications. If, on the other hand, the market share relates to antimicrobial pharmaceuticals at large then the opponents should have said so. On the material before me I am unable to accept that any enhanced degree of distinctive character exists within the meaning of the *DUONEBS* test. I accept, however, that the mark has a relatively high degree of distinctive character as a result of its inherent characteristics (being an invented word).

Comparison of Marks

14. A number of submissions have been offered to assist me in the process of comparing the marks and (later) coming to a view on the likelihood of confusion. I have read and given full

consideration to the parties' differing views on the matter. The main points made on behalf of the applicants are that:

- first syllables are important. The prefixes XAR- and TAR- are strong and distinctive. Furthermore it is unusual for words to commence with XAR-;
- the second syllables, which Ms Wong considers to be -O- and -GO- respectively, also differ;
- the suffix -CID is common to a number of pharmaceutical trade mark registrations. Ms Wong's Exhibit ANW2 contains over 50 pages of marks with the -CID suffix;
- a comparison of the totalities of the marks suggests that they are not similar when due allowance is made for the common suffix.

15. The main points to emerge from the written submissions filed on behalf of the opponents are that:

- both marks have the same structure comprising the syllables TAR-GO-CID and XAR-O-CID;
- both marks have six identical letters in the same order;
- all three syllables are similar. It is suggested that the visual similarity may be particularly pronounced in the case of the first syllable if handwritten when "the T letter can be similar to the X letter depending on inclination and place of the top T bar";
- both trade marks have the same suffix and an overall similar visual impression;
- the marks have a similar phonetic rhythm;
- there is neither conceptual similarity nor dissimilarity.

16. With the parties' submissions in mind I turn to my own views on the visual, aural and conceptual similarities. I bear in mind the ECJ guidance referred to above as regards the characteristics of the average consumer. In this latter context I note from Mr Nicholls' evidence that TARGOCID is a specialist product used in hospitals. Nevertheless the specification of the earlier trade mark is not restricted to reflect this use. I must consider what it will notionally be open to the opponents (and for that matter the applicants) to do within the scope of their specification. That must include use of the mark in relation to an over-the-counter product available to the public at large as well as the current consumer base of medical professionals. In other words a broad range of consumers must be considered.

17. Visually, the opponents are correct in saying that the marks have certain letters in common and in the same order. I doubt, however, that consumers would undertake that level of analysis of the marks. Indeed the guidance from *Sabel v Puma* cautions against such an approach. It has long been held that the beginnings of words are of particular importance (*TRIPCASTROID*, 42 RPC 264). The beginnings of these words are in my view markedly different. I am unpersuaded by the opponents' submissions that a T and an X are likely to be confused in handwritten form. As the applicants suggest, words beginning with X are in themselves relatively few in number, XAR even more so. It may be that within the context of drug names (where invented words are the norm) that there are other marks employing such a combination of letters. But there is no evidence on the point. I am left, therefore, with the impression that the applicants' mark in particular has an unusual and visually arresting first element.

18. The differences are less marked in the remaining parts of the words. The sheer number of trade marks ending with the suffix -CID contained in Exhibit ANW2 suggest that it is either a meaningful and/or desirable ending. The real test is, however, what marks are in use not what marks are on the UK or CTM registers. It is through use that consumers are educated to common usages or the descriptive or allusive nature of elements within marks. It is not immediately obvious that -CID is a descriptive/allusive suffix or that the relevant audience has been educated to accord it less weight as a result of the frequency with which they encounter it in drug names. On that basis it must be given due weight within the totality of the respective marks. My overall impression is that there is certainly a degree of similarity resulting from the elements/letters the marks have in common but that the 'strength' of the first element of the applied for mark reduces visual similarity to a relatively low level.

19. The opponents have suggested that, from a phonetic point of view, both marks share the same rhythm and the same phonetic ending. I have not been told how either mark is, or is likely to be, pronounced. With some hesitation I tend to the view that the stress is likely to be placed on the middle syllable in each case. That suggests there is some force to the opponents' claim that the marks share a phonetic rhythm. Again, however, I do not think the phonetic similarities are sufficient to displace the importance of the clearly different opening syllables as features which are likely to serve to distinguish between the marks in oral use.

20. Conceptually, neither word has an obvious meaning. There is no point of conceptual similarity other than their inventedness. However, I am inclined to think that with marks of this kind conceptual considerations do not play a significant part in influencing consumer reaction. Visual and aural/oral considerations will be to the fore.

Likelihood of Confusion

21. The opponents' written submissions make the following main points in relation to likelihood of confusion:

- confusion between trade marks may be extremely prejudicial to patient care;
- it may arise at various levels. Doctors have to memorise many medicine names and may be confused when names are similar particularly if the names are not

common. Chemists have to cope with handwritten prescriptions and small lettering. Patients, particularly elderly ones, many select the wrong product from a medicine cabinet or not look at labels etc with sufficient care;

- studies on medication errors suggest that medical professionals make mistakes as a result of 'close trade marks'.

22. I have also been referred to a decision of the Appointed Person in Opposition No. 70282 by H Lundbeck A/S to the UK designation of International Registration No. 719637 of Omega Farma EHF (O/208/02). The Appointed Person allowed an appeal against the Hearing Officer's finding that there was no likelihood of confusion in a case involving the marks OROPRAM and SEROPRAM. The opponents have highlighted two particular passages in paragraphs 18 and 22 of Professor Annand's decision. The points I draw from these passages are that the global assessment of likelihood of confusion must take into account all the relevant circumstances of the case including any association that can be made between the earlier and the later trade marks; that it is not enough merely to focus on dissimilar elements in the respective marks; and that the inherent and acquired distinctive character of the earlier trade mark must be taken into account. I have dealt with the latter point above.

23. The opponents' written submissions also raise a number of points about the approach to be adopted in dealing with likelihood of confusion where pharmaceutical products are concerned.

24. Although no specific evidence has been filed in support of the general claims made in the submissions it is fair to say that the arguments deployed are not new. In fact they have been aired in a number of Registry decisions.

25. In particular the question of whether there is a need for greater differentiation between trade marks in the pharmaceutical field has been considered in Cases O/414/01 and O/532/01. In the first of these cases the Hearing Officer reviewed the submissions made to him, inter alia, in relation to OHIM's approach where pharmaceutical trade marks are concerned and whether a higher or lower threshold for confusion should apply. He went on to say that:

"It seems to me that the role of the Registrar is to apply the Trade Marks Act 1994 and its subordinate legislation to the proceedings brought before her. Other provisions and authorities exist for the licensing of pharmaceuticals and in my view, it is not the role of the Trade Marks Registry to stray into these areas. Under the provisions of the Act and acting on behalf of the Registrar I must consider whether there exists a likelihood of confusion if the applicants' and opponents' trade marks are used in respect of the goods for which they are respectively applied for and registered."

26. I note too that in the OROPRAM/SEROPRAM case to which I have been referred Professor Annand says at paragraph 25:

"I have arrived at this view [that the opposition should succeed] 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-prescription and professionals are often overworked and may write prescriptions 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).”

27. I propose to proceed with these comments in mind.

28. I have found that, on a notional consideration of the respective specifications, identical goods are involved and that there are undoubted points of similarity between the respective marks as well as undoubted points of difference. There may be some degree of uncertainty as regards phonetic considerations which could only be resolved by evidence as to how the respective marks are or are likely to be pronounced. But I am inclined to think that that area of uncertainty is not critical to the determination of the case.

29. In *Raleigh International Trade Mark* [2001] RPC 11 page 202 Geoffrey Hobbs QC, sitting as the Appointed Person, said:

“Similarities between marks cannot eliminate differences between goods or services; and similarities between goods or services cannot eliminate differences between marks. So the purpose of the assessment under Section 5(2) must be to determine the net effect of the given similarities and differences.”

30. I regard these comments as being entirely consistent with Professor Annand’s view that it is insufficient to simply focus on dissimilarities between marks.

31. In OROPRAM/SEROPRAM Professor Annand accorded weight to the fact that the marks did not simply have the suffix -PRAM in common they also shared the strings RO-PRAM. Accordingly the oral and visual differences resided in the first syllables O- and SE-. It was further noted that consumers might make the link between the suffix -PRAM and the generic term citalopram and that the applicants in the case conceded that the prefix of OROPRAM suggested oral delivery. The latter coupled with the degree of similarity in the marks led to the opposition being decided in favour of the opponents.

32. There are some parallels in the case before me. In particular the marks XAROCID and TARGOCID are similar in length, are composed of three syllables and share strings of letters. However, I am not persuaded that direct confusion is likely. The marks, particularly the applicants’, have distinctive and easily distinguishable openings. I do not think the averagely circumspect and observant consumer would be likely to be confused even if the marks appeared on identical products.

33. The real issue in my view is whether the similarities between the marks might lead consumers to believe that there is an association between them not in the narrow sense that

one mark brings to mind the other but that a single undertaking has made itself responsible for the goods (see points (g) to (i) in the above summary of the guidance from the ECJ).

34. In my judgment that question too must be answered in the negative. The opponents have advanced no evidence or arguments that lead me to think that consumers would be likely to place particular reliance on the elements that the marks have in common. The similarities that exist between the marks are not such as to lead to a likelihood of either direct or indirect confusion. Furthermore I would not have come to a different view even if I had been persuaded that the opponents' use was a material consideration in assessing the distinctive character of their earlier trade mark.

35. In reaching that view I have not felt able to give weight to the applicants' evidence bearing on the apparent frequency with which trade mark owners seek to register marks with the suffix -CID. If I am wrong in adopting a cautious approach to this evidence (given the sheer volume of -CID suffixed marks) then that would be a further point in the applicants' favour in as much as the implication would be that consumers would be likely to accord less weight or significance to the suffix as a distinctive feature within the mark. As matters stand the opposition fails under Section 5(2)(b).

Section 5(4)(a)

36. I have considered the opponents' use in the context of Section 5(2)(b). In practice I do not think this ground adds anything to the opponents' case. Their use has been of the mark in the form registered and in relation to goods that are within the scope of the registered specification. Even accepting that they would be able to demonstrate goodwill within the meaning of the first leg of the passing off test they would be unable to establish misrepresentation or damage.

Conclusion

37. The opposition as a whole has failed. The applicants are entitled to a contribution towards their costs. I order the opponents to pay them the sum of £800. 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 25th day of November 2002

**M REYNOLDS
For the Registrar
the Comptroller General**