

1 THE PATENT OFFICE

2 Room A2,  
3 Harmsworth House,  
4 13-15 Bouverie Street,  
5 London EC4Y 8DP.  
6 Monday, 12th May 2003

7 Before:  
8 MR. GEOFFREY HOBBS QC  
9 (Sitting as the Appointed Person)

10 - - - - -  
11 In the Matter of the Trade Marks Act 1994

12 -and  
13 In the Matter of Trade Mark Application No: 225408 by  
14 BAYER AG

15 -and-  
16 In the Matter of Opposition thereto under Opposition  
17 No: 52473 by MERRELL PHARMACEUTICALS INC

18 - - - - -  
19 Appeal of the Opponent from the decision of  
20 Mr. M. Reynolds, acting on behalf of the Registrar, dated  
21 25th November 2002.

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23 (Transcript of the shorthand notes of Marten Walsh Cherer Ltd.,  
24 Midway House, 27.29 Cursitor Street, London EC4A 1LT.  
25 Telephone No: 020 7405 5010. Fax No: 020 7405 5026.)

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27 MR. MICHAEL EDENBOROUGH (instructed by Messrs Abel & Imray)  
28 appeared as Counsel on behalf of the Appellant/Opponent.

29 THE RESPONDENT/APPLICANT did not appear and was not represented.

30 THE TRADE MARKS REGISTRY did not appear and was not represented.

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32 D E C I S I O N  
33 (As approved by the Appointed Person)

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1 THE APPOINTED PERSON: On 1st December 2000 Bayer AG applied to  
2 register the word **XAROCID** as a trade mark for use in relation  
3 to "Pharmaceutical preparations and substances, diagnostic  
4 preparations and reagents for medical use" in Class 5. It  
5 was not suggested that the word had acquired a distinctive  
6 character through use as a trade mark in the United Kingdom  
7 prior to the date of the application for registration.

8 On 30th April 2001 Merrell Pharmaceuticals Inc. opposed  
9 the application under sections 5(2)(b) and 5(4)(a) of the  
10 Trade Marks Act 1994 on the basis that use of the mark  
11 applied for would conflict with: (1) the rights it had acquired  
12 through prior registration of the trade mark **TARGOCID** in  
13 relation to "Pharmaceutical substances and preparations" in  
14 Class 5; and (2) the rights that it had acquired through use of  
15 the trade mark **TARGOCID**, continuously and on a substantial  
16 scale, since 1990 in relation to antimicrobial preparations  
17 for use in the treatment of potentially severe Gram -positive  
18 infections.

19 The objection under section 5(4)(a) does not add  
20 anything of significance to the objection under section  
21 5(2)(b). For all practical purposes they stand or fall  
22 together.

23 The question for consideration is whether there are  
24 similarities in terms of the marks and goods in issue that  
25 would have combined to give rise to a likelihood of confusion

1 if the earlier and later marks had been used concurrently in  
2 the United Kingdom in relation to goods of the kind for which  
3 they were respectively registered and proposed to be  
4 registered in December 2000.

5 In paragraphs 26 et seq. of its judgment in the Canon  
6 case, the European Court of Justice held that there can  
7 be no likelihood of confusion in the sense required by  
8 section 5(2)(b) of the 1994 Act if it does not appear that  
9 the public could believe that the goods or services covered  
10 by the trade marks in issue come from the same undertaking or  
11 economically linked undertakings. When, as in the present  
12 case, the marks in issue are not identical, they need to be  
13 distinctively similar in order to be capable of inducing such  
14 a belief in the mind of the average consumer of the goods or  
15 services concerned.

16 Marks which converge upon a particular mode or element  
17 of expression may or may not be found upon due consideration  
18 to be distinctively similar. The position varies according  
19 to the propensity of the particular mode or element of  
20 expression to be perceived in the context of the marks as a  
21 whole as origin specific or origin neutral.

22 The relevant propensity may on established principles  
23 be inherent or acquired through use. This leaves room for  
24 evidence demonstrating that the mode or element of expression  
25 in question has an established significance which the average

1 consumer would ascribe to the marks in issue.

2           However, the requisite degree of distinctiveness cannot  
3 be demonstrated or disproved simply by evidence of entries  
4 in the Register of Trade Marks. Entries in the Register do  
5 not of themselves affect the way in which marks are perceived  
6 and remembered.

7           Similarities between marks cannot eliminate differences  
8 between goods and similarities between goods cannot eliminate  
9 differences between marks, so the purpose of the assessment  
10 must be to determine the net effect of the given similarities  
11 and differences.

12           With the agreement of the parties, the opposition was  
13 determined without recourse to a hearing. In the result, the  
14 application was allowed to proceed to registration for the  
15 reasons given in a written decision issued by Mr. M. Reynolds  
16 on behalf of the Registrar on 25th November 2002.

17           His decision was properly informed by reference to the  
18 principles laid down in the case law of the ECJ for the  
19 determination of objections under section 5(2)(b). It was  
20 also carefully reasoned. His findings, as summarised by me,  
21 were as follows:

22           (1) The opposition fell to be determined on the  
23 basis that the goods in issue were identical and, to the  
24 extent they were not identical, that they were likely to be  
25 closely similar.

1           (2)    The opponent's mark **TARGOCID** was an invented word  
2           with no obvious meaning. It possessed a high degree of  
3           distinctive character; none the less and none the more so as a  
4           result of the use that had been made of it. It was likely to  
5           be pronounced with stress on the middle syllable.

6           (3)    The applicant's mark **XAROCID** was also an invented  
7           word with no obvious meaning. It possessed an unusual and  
8           visually arresting first element which would be discernible  
9           in the way in which it was likely to be pronounced.

10          (4)    The evidence on file was not sufficient to  
11          establish that people exposed to the marks in issue would  
12          attach no real weight or significance to the suffix - **CID**,  
13          as a result of the frequency with which they might previously  
14          have encountered it in other marks.

15          (5)    The nature of the goods in issue did not give  
16          rise to any special considerations in the assessment of the  
17          likelihood of confusion.

18          (6)    The similarities between the marks in issue in  
19          terms of their length, structure and lettering were not  
20          sufficient to render them distinctively similar from a  
21          visual, phonetic or conceptual point of view.

22                 In the light of these findings, he rejected the  
23          objection and ordered the opponent to pay the applicant  
24          £800 as a contribution to its costs of the Registry  
25          proceedings.

1           On 23rd December 2002 the opponent gave notice of  
2           appeal to an Appointed Person under section 76 of the Trade  
3           Marks Act 1994 contending, in substance, that the hearing  
4           officer had erred, first, by giving undue weight to the  
5           differences between the marks in issue and, secondly, by  
6           giving insufficient weight to the propensity of their  
7           similarities to bring about a convergence of perceived or  
8           remembered identity, especially bearing in mind the use of  
9           the earlier mark. It was accordingly submitted that the  
10          opposition should be upheld and the application should be  
11          refused.

12                 These contentions were developed in argument before me.

13                 Whilst the opponent is right to emphasise that the use  
14          made of its earlier mark must be given due weight in the overall  
15          assessment, I do not think that the use in the present case can  
16          be said to have done more than capitalise on the distinctiveness  
17          already possessed by the mark as an invented word, and I do  
18          not think that the hearing officer erred in his consideration  
19          of the evidence of use when arriving at the conclusion that  
20          he did.

21                 The opponent also took issue with the hearing officer's  
22          view that the distinctive power of the marks in question was  
23          front-loaded rather than evenly dispersed throughout the  
24          marks as a whole. I think that if one confines oneself  
25          simply to the evidence on file, there is some substance in

1           that point, but not in itself enough to undermine the hearing  
2           officer's reasoning and approach.

3           The fact that the marks in issue are invented words does  
4           have a bearing on the question whether they are sufficiently  
5           different to be readily distinguishable in ordinary use in the  
6           marketplace.

7           I have no doubt that the objections to registration would  
8           have been well-founded if the letter G was not present in the  
9           opponent's mark. That inevitably gives me pause for thought as  
10          to whether the inclusion of that letter in the opponent's mark  
11          is sufficient to render the marks as a whole distinguishable.

12          The question, as I see it, is whether the level of  
13          attention and effort required to perceive and remember the  
14          differences between the two marks is greater than people in the  
15          relevant market would actually bring to bear on them.

16          I have hesitated over this issue. In the end I have come  
17          to the conclusion that there is room for more than one view  
18          on the point. That being so (and bearing in mind that the  
19          function of an appellate tribunal in cases of this kind  
20          is to intervene in relation to the assessment below only if  
21          it is clearly erroneous) it appears to me that I should accept  
22          the hearing officer's evaluation of the net effect of the  
23          differences and similarities between the marks and  
24          should therefore not allow the opponent's appeal from his  
25          decision.

1                   The phonetic similarity between the invented words is  
2                   such that I regard this as a near miss, albeit that it is a  
3                   miss, in terms of the opposition not succeeding. However,  
4                   for the reasons I have given, the appeal will be dismissed.

5   MR. EDENBOROUGH:   The only thing that falls to be decided is  
6                   costs.  I do not believe the other side has incurred any  
7                   costs unless your file is different from mine.

8   THE APPOINTED PERSON:  They are likely to have incurred costs in  
9                   perusing the grounds of appeal and considering whether to attend  
10                  Do you want to say anything as to whether they have or have not  
11                  incurred such costs? I think it is rather likely that they  
12                  have.

13   MR. EDENBOROUGH:  I have no evidence, sir, so I cannot.  I would  
14                  say, if there are any costs they are not very much.  They did  
15                  not turn up.

16   THE APPOINTED PERSON:  In the circumstances I will direct the  
17                  unsuccessful party to contribute £100 to the costs of the  
18                  successful party.  That sum to be paid within 14 days of  
19                  today's date.  Thank you.

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