O-148-06

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2332714 BY RATIOPHARM GmbH TO REGISTER A SERIES OF TRADE MARKS IN CLASS 5

AND

IN THE MATTER OF OPPOSITION NO 92126 BY ASTRAZENECA AB

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IN THE MATTER OF Opposition No 92126 by Astra Zeneca AB

BACKGROUND

1. On 20 May 2003 ratiopharm GmbH applied to register FELENDIL and Felendil as a series of two marks in relation to

> "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."

These goods are in Class 5 of the International Classification System.

2. On 17 November 2003 AstraZeneca AB filed notice of opposition to this application. It is the proprietor of registration No 1221651, PLENDIL, in respect of "pharmaceutical preparations and substances" and claims to have used the mark in relation to these goods since June 1991. Opposition is directed at a subset of the goods within the applied for specification, namely "pharmaceutical preparations; sanitary preparations for medical use; dietetic substances adapted for medical use". The opponent claims that the respective marks are similar and the goods identical or similar such that there is a likelihood of confusion. Objection is thus raised under Section 5(2)(b). The opponent also raises a claim under Section 5(4)(a) on the basis of its own use and having regard to the law of passing-off.

3. The applicant filed a counterstatement putting the opponent to proof of its claim to use. It denies similarity in the marks, concedes that pharmaceutical preparations are identical goods but denies that the other goods are similar. It denies the grounds of objection.

4. Both sides ask for an award of costs.

5. Both sides have filed evidence. The matter came to be heard on 23 May 2006 when the applicant was represented by Mr R P Webster of Stevens Hewlett & Perkins and the opponent by Mr M Engelman of Counsel instructed by Wildbore & Gibbons.

Opponent's Evidence

6. The opponent filed three witness statements. The first two are from Sarah Janella Barr, a partner in the firm of Wildbore & Gibbons. She exhibits:

SJB/1 - details of the registration relied on by the opponent.

SJB/2 - an extract from The Monthly Index of Medical Specialities (MIMS) dated April 2003 to show that the mark PLENDIL is in use.

SJB/3- a further entry from MIMS confirming that this mark is still used. In particular it is used in relation to a product with the generic name 'felodipine'.

She submits that "there is a heightened risk of confusion if the applicant's trade mark FELENDIL or Felendil were to be used in relation to products for the treatment of angina and hypertension, specifically the product felodipine, for which the trade mark PLENDIL has been extensively used for many years. It is submitted that doctors knowing of the use of PLENDIL in relation to felodipine, may be confused if the trade mark FELENDIL or Felendil is used on the same or a similar product".

SJB/4 - the results of a search of the UK (including International Registrations) and CTM registers for marks with the suffix LENDIL or LENDYL. The only marks revealed are the opponent's mark and the applicant's mark.

SJB/5 - a copy taken from the opponent's website describing the products sold under the mark PLENDIL.

SJB/6 - a copy taken from the website www.patienthealthinternational.com containing further information on the product.

7. The third witness statement is from Margaretha Stahlberg, a Trade Mark Attorney at AstraZeneca AB. She confirms that the mark, PLENDIL, has been used in relation to an extended release formulation of felodipine being a calcium antagonist for the treatment of angina and hypertension. She exhibits copies of internal records relating to the sales of products in the UK under the mark. This gives sales values running at approximately £1.5 million per month in the period January 2001 to January 2002. She also exhibits further material showing how the mark is used.

Applicant's Evidence

8. The applicant has filed two witness statements. The first is by Alexandra Bate, the Regulatory Affairs Manager of ratiopharm UK Ltd. She explains the derivation of the mark FELENDIL/Felendil as follows:

> "My company was keen to choose an invented word whose nature hinted at the goods for which the Trade Mark would be used, which I believe is common practice in the pharmaceutical industry. Therefore my Company's new mark deliberately took the first three letters (FEL-) from the name of the generic compound "felodipine", which is the main constituent in the goods for which the trade mark was to be put into use. I have read the witness statement of Mr Robin Philip Webster of Stevens Hewlett & Perkins and I note and adopt what he says in connection with other trade marks in use in the United Kingdom for felodipine and which all commence with the letter "FEL-".
>
> In coining the Trade Mark my Company adopted an ending for the word which is familiar in pharmaceutical names, namely "-DIL". I refer again to Mr Webster's witness statement in this regard and adopt what he says in connection with his search for "-DIL" suffixed trade marks in International Goods Class 5. Insofar as the middle (-EN-) portion of my Company's Trade Mark is concerned it was simply a case of choosing letters which when used in conjunction with "FEL-" and "-DIL" would create a logical and memorable name. Accordingly, the letters "-EN" produced a mark which met this criteria and was also easy to pronounce. Other letters would have worked equally well, for example, "-PO-, "-NA-", "-MO-" etc, but there was a certain harmony about FELENDIL, not least because of the repetition of the short "-E-" sound."

9. The remainder of Ms Bate's witness statement consists in the main of submissions in relation to the marks and the circumstances of trade. I bear these submissions in mind but do not propose to summarise them at this point.

10. The second witness statement is from Robin Philip Webster, a qualified Trade Mark Attorney at Steven, Hewlett & Perkins. He exhibits:

RPW-1	-	the result of a Compu-Mark search showing that other owners have utilized the first three letters of the generic name of the compound felodopine in creating their marks and that others use the full name felodipine in combination with other trade mark matter,
RPW-2	-	the results of a Marguesa search showing registrations with the –DIL suffix suggesting it is a popular choice.
RPW-3		in answer to the opponent's claim that the marks share the same six letter string –LENDIL, Mr Webster exhibits a further Marguesa search carried out in relation to the string FELEN-. The only result produced was the applicant's mark.

Opponent's Evidence in Reply

11. The opponent has filed a witness statement by Steve White of Farncombe International, an investigation firm. He exhibits a copy of a report carried out in relation to use of the mark FELENDIL by ratiopharm. This confirms that the mark is used to treat high blood pressure and, on the investigator's calculations, enjoyed 0.63% at most of total UK sales of antihypertensive products in 2004.

12. That completes my review of the evidence.

DECISION

Section 5(2)(b)

13. This reads

> 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."

14. I was referred to and take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v. Klijsen Handel B.V.* [2000] FSR 77 and *Marca Mode CV v. Adidas AG* [2000] E.T.M.R. 723. The guidance from these cases is now well known. Accordingly, I do not propose to set out the relevant passages. Suffice to say that the test is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those various elements, taking into account also the degree of identity/similarity between the goods and services and how they are marketed. In comparing the marks I must have regard to the distinctive character of each and assume normal and fair use of the marks across the full range of the goods and services within their respective specifications. The matter must be considered from the perspective of the average consumer who is deemed to be reasonably well informed, reasonably circumspect and observant.

Comparison of goods

15. Firstly, I remind myself that the opposition is not directed against all the goods of the application, only "pharmaceutical preparations; sanitary preparations for medical purposes, dietetic substances for medical use". The opponent's mark is registered for

"pharmaceutical preparations and substances". It is plain to see that identical goods are involved. Ms Bate's evidence on behalf of the applicant conceded as much (in paragraph 4 of her witness statement).

16. It is often the case that parties' goods are found to be identical based on a consideration of the notional scope of specifications even though the actual goods of interest may not overlap to quite the same extent. This is, however, a case where the actual goods at the heart of the dispute are indeed identical - both belong to a group of 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 (paragraph 5 of Ms Stalhberg's witness statement and 3.3 of Exhibit SW/1 to Mr White's witness statement).

The distinctive character of the marks

17. In the light of the above it is not surprising that this case turns on the marks themselves. I will, first of all, consider the distinctive character of the opponent's mark bearing in mind that this is to be assessed on the basis of both inherent and acquired distinctiveness (*Sabel v Puma*, paragraph 24). It is common ground that PLENDIL is an invented word. Many - perhaps even most- pharmaceutical names are. Some though may hint at the condition to be treated or the nature of the care even though the totality of the mark is invented. Thus Migraleve hints at migraine or the treatment thereof. No such claim is made in relation to PLENDIL. It appears to be wholly invented and does not allude to anything. There is a suggestion in the applicant's evidence that -DIL is a relatively common suffix for pharmaceutical names. It may be in terms of the state of the register (see Exhibit RPW-2). I have not been told what the position is in terms of use in the marketplace let alone what significance (if any) it might have in relation to the goods at issue.

18. There is also the matter of whether the inherent qualities of the mark have been further strengthened through use. The sales figures for 2001 alone suggest a trade of approximately £18 million per annum with further increases after that. At about this time PLENDIL is said to have enjoyed a 6% market share (last page of Exhibit MS/1). I have not been told how many players there are in this market or indeed how tightly defined that market is (I will assume for present purposes that it relates to the market for calcium antagonist hypertension treatments – if it is the wider market for anti-hypertension products then the market share becomes even more significant).

19. Mr Webster did not accept the case for an enhanced reputation based on a 6% market share and noted that some of the product information material in MS/1 appears to post date the relevant date in these proceedings. There is some slight force to the latter point but I do not think the applicant seriously questions that PLENDIL has a place in the market. For my part I think the opponent can legitimately claim that use has enhanced the reputation of its mark but given the strong inherent qualities I do not consider that the case on enhanced reputation will make or break the case.

20. The applicant's mark, too, is invented and distinctive. Unlike the opponent's mark, it hints in its first three letters at the name of the active ingredient, felodipine.

Comparison of marks

21. In addition to the European authorities mentioned earlier I have been referred to a number of other cases. Mr Webster relied on *TRIPCASTROID* 42 RPC 264 as support for the proposition that the beginnings of marks are the most important. Mr Engelman relied upon *Oropram v Seropram*, an Appointed Person decision under reference O/208/02, *Glaxo Group Ltd v Knoll* [1999] E.T.M.R. 358 (*Andak v Zantac*), *Fisons Plc v Norton Healthcare Ltd* [1994] F.S.R. 745 *(Vicrom v Eye-Crom), Inadine v Anadin* [1992] R.P.C. 421, *Bristol Myers Co & Others v Bristol Pharmaceutical Co Ltd* [1968] R.P.C. 259 (*Pristacin v Bristacyn*) and *Eli Lilly & Co Ltd v Chelsea Drug Chemical Co Ltd* [1966] R.P.C. 14 (*V-CIL-K v ECONOCIL-V-K*) as demonstrating that other factors can also come into play and one must always have regard to the totalities of the marks in use.

21. Mr Engelman submitted that the marks are visually similar and share the same six letter sequence -LENDIL; that in ordinary usage the first two syllables of FELENDIL are likely to be compressed in speech and thus will also in effect produce a two syllable word like PLENDIL; that oral and internet ordering should be allowed for; that the marks have no conceptual significance and therefore the public have no 'handle' by which to differentiate the marks; and that imperfect recollection must be allowed for in these circumstances.

22. Mr Webster emphasized the different beginnings to the respective marks; the -DIL suffix which appears to be a popular choice amongst owners of pharmaceutical trade marks. He did not accept Mr Engelman's view on compression of the first two syllables of FELENDIL when the word is spoken. Nor did he accept that internet ordering was something to be given particular weight.

23. I have also reminded myself at this point of the parties' evidence which contains submissions on how I should approach the marks and which seek to split the respective marks into segments which support their particular positions. Thus, the opponent points to the -LENDIL string which is said to be unique to the competing marks in this case whilst the applicant points to the fact that a search for the FELEN- prefix only threw up its own marks. These submissions may be correct as far as they go but the process is not one which the average consumer will engage in.

24. Turning to my own view of the marks I find that visually the marks are of approximately similar length, being made up of 7 and 8 letters respectively. When words of that length have six letters in common in the same sequence, it is inevitable that they will be similar to some degree, but the different opening combination of letters seems to me to counterbalance somewhat the common features of the marks.

25. It would appear on the face of it, when it comes to aural considerations, that the applied for marks are three syllable words compared to the two syllables of PLENDIL. At least that would be the position if FELENDIL is fully and carefully articulated. I share Mr Engelman's concern that this may not always be the case. Even before his submissions on compression I found myself doing precisely that when considering the applied for mark(s). It is the sort of slurring that not uncommonly occurs in speech. The example Mr Engelman gave was the word

'd(e)linquent'. An example from closer to home as it were in the case of pharmaceuticals might be the word 'aspirin' which in my experience is often pronounced as if it was a two syllable word with the first 'i' effectively dropped or compressed. I also consider that the natural stress in each case is likely to throw emphasis onto the common elements. In the light of these factors I find that the marks have greater aural/oral similarity.

26. It is questionable whether conceptual considerations have any appreciable part to play when considering invented words. One might say that the only thing they have in common is their inventedness. In this particular case it can be said that FELENDIL alludes in its first syllable to felodipine, the main active ingredient of both parties' goods but that in itself does not answer the question as to whether the marks as wholes are conceptually similar. I consider the position on conceptual similarity to be neutral but that conceptual considerations are likely to be subsidiary to visual and aural ones in the case of invented pharmaceutical names.

The average consumer

27. It is common ground that the goods of particular interest to the parties are prescription pharmaceuticals. This generated some debate before me as to who constituted the average consumer for such goods. There can be no doubt that doctors and pharmacists fall within the natural constituency of the average consumer. Mr Engelman argues for a wider group of people to include the general public, wholesalers and the NHS. Mr Webster was inclined, I think, to discount or minimize the importance of the public at large as their contact with the goods would be as a result of prescription by a doctor and/or dispensing by a pharmacist.

28. I note that in the *Fisons* case referred to above Aldous J (as he then was) held in circumstances involving prescription products:

> "It is important not to test the question of confusion by asking whether one product will be supplied for another. The test is whether the two marks are confusingly similar. In this case the defendant's product is only supplied on prescription, but the product is kept in houses and will be asked for by the public over the telephone and on visits to surgeries."

29. That broader approach can also be found in at least two decisions of the Court of First Instance. In *Bioforma SA v OHIM*, Case T-154/03 the Court held as follows:

> "44 In relation to the relevant public, OHIM, like the intervener, maintains that the medicinal products which are at issue in the case are prescribed by different specialists. However, the fact remains that these medicinal products are in sufficiently common usage to also be prescribed by general practitioners.
>
> 45 Furthermore, since the applicant's tablets, like the intervener's eye drops, are to be taken by patients at home, the latter, as end users, are also part of the relevant public in the same way as pharmacists who sell those medicinal products in their pharmacies.

> 46 Both the professionals in the medical sector (specialist doctors, general practitioners and pharmacists) and patients, contrary to the finding of the Board of Appeal, therefore form part of the relevant public."

30. In a further recent case *Madaus v OHIM*, Case T-202/04, involving Class 5 goods the CFI dealt (in paragraph 56) as follows with an alleged misapplication of the 'average consumer' test as follows:-

> "…… it is sufficient to note that the paragraph in question does not refer to professionals but to the public concerned'. That expression is defined in paragraph 23, in which the Board of Appeal refers expressly to the average consumer of the products in question, who is deemed to be reasonably well informed, observant and circumspect. Contrary to the applicant's submission, OHIM did not, therefore restrict its examination of the likelihood of confusion to professional consumers but clearly took account of the perception of the end consumers of the goods at issue."

31. The consistent view to emerge from these cases is that, whilst the average consumer includes medical professionals, the group should not be restricted in this way but include all those who may be concerned with prescribing, dispensing and dealing with the goods along with the end consumers themselves. The latter must include the public at large. I also accept that pharmaceutical wholesalers will be part of the relevant group. In this latter respect the applicant has not challenged the opponent's investigator's finding that its (the applicant's) goods are sold to wholesalers for the NHS.

32. 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.

Likelihood of Confusion

33. Before drawing the threads of the argument together there are a couple of other issues I need to touch on. The opponent is suspicious of the applicant's choice of mark and Mr Engelman suggested that there was here an intent to deceive. That underlying concern manifested itself at an earlier stage in requests for amendment of the pleaded case, cross examination of Ms Bate and disclosure of the short list of marks referred to in her witness statement. Those requests were rejected and no appeal was lodged.

34. Nevertheless, it has been put to me that if a party has set out to deceive then the courts will usually take it that it has achieved its objective and also that the fact that a party has not pleaded fraud does not exclude the court or tribunal from considering whether fraud in fact exists.

35. The opponent bases itself on the fact that ratiopharm is a generic manufacturer. It is said (by reference to a document on The Patent Office website) that in order to

market a medical product a manufacturer must first obtain regulatory approval by conducting clinical tests and trials to prove that the product is safe and effective. However, producers of generic medicines are able to use the original manufacturer's approval if they can demonstrate that the generic version is bioequivalent to the approved medicine.

36. There is a presumption in all this that the applicant would have known, referred to and relied on AstraZeneca's PLENDIL product in obtaining marketing approval for its own equivalent product. The point falls at this first hurdle in my view as there is no clear evidence that the FELENDIL product is based on PLENDIL rather than a product of one of the other manufacturers of similar products (of which there are likely to be a few given PLENDIL's claimed 6% market share). Still less is it possible to say that FELENDIL was chosen with an intent to deceive.

37. As the Hearing Officer said in *MAGIGROW Trade Marks*, BL O/240/01:

> "….. while it is well established that a tribunal should not be astute to find that there is no dishonesty where there is evidence that the applicant set out to deceive, it does not follow that the adoption of a mark with some similarity to a market leader is prima facie evidence of intention to deceive and association, in the strict sense, can be used as a means of denoting a product's suitability as an alternative to the market leader's product."

38. Mr Engelman is no doubt right to say that, if a tribunal was presented with evidence of intent to deceive, that would be a relevant factor to be borne in mind when applying the global appreciation test for Section 5(2) purposes even in the absence of a separately pleaded case under Section 3(6) (see also Kerly's at 15-035). But on the basis of the evidence and materials before me I am not prepared to draw any inference adverse to the applicant on this point.

39. The second point is that reference was made to another of the opponent's marks, SPLENDIL, which is mentioned in Exhibit SJB/5. No further information is given and no point has been pleaded in relation to this mark or any claimed family of such marks. The point, therefore leads nowhere and has not influenced my decision.

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 competition 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.

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:

> "…… 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 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)."

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.

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).

44. 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). Accordingly I do not need to give separate consideration to this ground.

45. The application will be allowed to proceed in respect of the uncontested goods if, within 28 days of the expiry of the appeal period, the applicant files a Form TM21 restricting its specification to:

> "Food for babies; plasters; materials for dressings; materials for stopping teeth; dental wax; disinfectants; preparations for destroying vermin; fungicides; herbicides."

46. If no Form TM21 is filed within this period the application will be refused in its entirety.

COSTS

47. The opponent has achieved complete success in relation to the goods in respect of which opposition was lodged and is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of **£2200**. 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 the case if any appeal against this decision is unsuccessful.

Dated this 8th day of June 2006

M REYNOLDS
For the Registrar
The Comptroller-General