

O/156/12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION
No. 2504983
BY MUNDIPHARMA AG
TO REGISTER THE TRADE MARK
TRIASA
IN CLASS 5**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 99390 BY
CEPHALON INC.**

BACKGROUND

1) On 17 December 2008 Mundipharma AG (hereinafter the applicant), applied to register the trade mark TRIASA in respect of the following goods in Class 5: “Pharmaceutical preparations and substances.”

2) The application was examined and accepted, and subsequently published for opposition purposes on 1 May 2009 in Trade Marks Journal No.6783.

3) On 31 July 2009, Cephalon Inc., (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade mark:

Number	Mark	Filing and Registration Date	Class	Specification relied upon
CTM 4102687	TREANDA	26.10.2004 03.02.2006	5	Pharmaceutical preparations, compounds and products; drugs for medical purposes; pharmaceutical preparations for the treatment of cancer; diagnostic agents for in vivo use to locate cancer; immunotherapeutic agents for cancer.

b) The opponent states that the marks of the two parties differ in length by only one letter and have the identical number of syllables. The prefix “TR” and the suffix “A” are present in both marks and the respective prefixes “TREA” and “TRIA” are phonetically identical and visually similar. It states that neither mark has any conceptual meaning. The opponent contends that the mark in suit therefore offends against Section 5(2)(b) of the Act.

c) The opponent also contends that as a co-licensee the applicant is aware of the opponent’s earlier right and is attempting to trade off the opponent’s reputation by adopting a confusingly similar trade mark. The opponent contends that the mark was applied for in bad faith and offends against Section 3(6) of the Act.

4) On 17 February 2011, the applicant filed a counterstatement which denied the opponent’s claims. The applicant did not put the opponent to proof of use.

5) Both sides filed evidence. Both parties seek an award of costs in their favour. Neither party wished to be heard although both provided written submissions which I shall refer to as and when required in my decision.

OPPONENT’S EVIDENCE

6) The opponent filed a witness statement, dated 22 July 2011, by David Tate, the opponent’s Trade Mark Attorney. He states that the opponent is a leading biopharmaceutical company that provides more than 150 medicines to patients in

approximately 100 countries, employs more than 4,000 people worldwide and had sales in 2010 totalling US\$2.8 billion. At exhibit DT1 he provides a copy of the opponent's 2010 annual report which contains the following:

“TREANDA [bendamustine HC1] has been a huge success since its launch in April 2008. Treanda is indicated for the treatment of patients with indolent B-cell non-Hodgkin's lymphoma (iNHL) that has progressed during or within six months of treatment with rituximab or a rituximab-containing regimen. TREANDA is also indicated for the treatment of patients with chronic lymphocytic leukaemia (CLL).

TREANDA sales exceeded £393 million in 2010. To date, we estimate that approximately 31,000 patients in the United States have received treatment with TREANDA. With an estimated five-year prevalence of CLL and iNHL in the United States of approximately 54,000 and 110,000 respectively, we believe that TREANDA has the potential to reach thousands of additional patients.”

7) Mr Tate provides, at exhibit DT7, a press release issued by the opponent on 28 June 2008 which states:

“Cephalon holds exclusive rights to market and sell TREANDA in the United States. TREANDA is licensed from Astellas Deutschland GmbH. Bendamustine, the active ingredient in TREANDA, is marketed in Germany by Astellas' licensee, MundiPharma International Limited, under the trade name RIBOMUSTIN(R).”

8) At exhibit DT8 he provides a copy of a press release issued by the applicant on 26 October 2006, which states:

“Mundipharma.....today announced it has acquired exclusive development and marketing rights for the anti-cancer compound Bendamustine from Astellas Deutschland GmbH, Munich, Germany, under a License Agreement effective October 1st 2006.

Under the terms of the agreement, Mundipharma receives an exclusive license for all countries in the EU and the European Economic Area (EEA), including Germany, where the product is already marketed as RIBOMUSTIN, generating annual sales of €13 million in the treatment of Non Hodgkin Lymphoma, Multiple Myeloma and Chronic Lymphatic Leukaemia. Mundipharma will take over development and marketing rights effective April 1st 2007 and it is expected that the product will be launched in other countries from 2008.”

And:

“Dr Bernhard Huber, Managing Director of Astellas Deutschland GmbH said: “After having identified in Cephalon and Symbio two potent partners to develop and market Bendamustine in North America and Japan respectively, it was our

objective to ally with an equally well-qualified partner to develop and market the product throughout EU/EEA.”

9) Mr Tate states that the applicant has also filed an International registration for TREAXA in addition to its UK application for TRIASA. He states that both are similar to the opponent’s TREANDA mark. He states that the opponent believes that these actions were designed to impede market access by the opponent and to profit from the reputation of the opponent’s TREANDA mark. In filing a series of blocking or ghost marks he states that the applicant is acting in bad faith.

APPLICANT’S EVIDENCE

10) The applicant filed a witness statement, dated 16 September 2011, by Peter John Charlton the applicant’s Trade Mark Attorney. At exhibit PJC1 he provides a copy of the register entry for the European Community designation of international trade mark registration no. 989702 for the mark TREAXA which shows that the trade mark was not opposed.

OPPONENT’S EVIDENCE IN REPLY

11) The opponent filed a further witness statement by Mr Tate, dated 21 December 2011 which merely pointed out that none of the statements of fact asserted in his earlier witness statement had been challenged or denied by the applicant.

12) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

13) I shall first consider the ground of opposition under Section 5(2)(b) of the Act which 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) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

15) The opponent is relying upon its trade mark CTM 4102687 which is clearly an earlier trade mark. It was registered on 3 February 2006. Because of the interplay between the date the mark in suit was advertised (1 May 2009) and the registration date of the opponent’s mark, the Trade Marks (Proof of Use, etc) Regulations 2004, do not come into play.

16) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the Court of Justice of the European Union (CJEU) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10] Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(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, and whose attention varies according to the category of goods or services in question;

(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 normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements; nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(e) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

(g) 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;

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient;

(i) 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;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

17) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgments mentioned above. 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 different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the applicant's mark and the mark relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on the goods in their specifications.

18) In the instant case the opponent has provided scant evidence regarding use of its mark. It has provided worldwide turnover figures, but only mentioned actually selling in the USA. It has not put these into context of the market for medicines worldwide or even in the USA. As the opponent has not filed any use of its mark in the UK it cannot therefore benefit from an enhanced reputation. In my opinion, the opponent's mark, TREANDA, has a very high degree of inherent distinctiveness as it does not appear to have any meaning in relation to the goods for which it is registered.

19) As the case law in paragraph 16 above indicates I must determine the average consumer for the goods of the parties. I must then determine the manner in which these

goods are likely to be selected by the said average consumer. The average consumer would be those members of the general public who require medication and the medical profession. Neither parties' specification is restricted to prescription drugs, and therefore over the counter and self selection processes must also be taken into account. Clearly, the whole of the adult population of the UK is included in addition to health care professionals, both those who prescribe or administer the drugs such as doctors and nurses, and also those who might order such drugs for hospitals etc. Overall, I believe that pharmaceutical goods will not be purchased or selected without considerable care, for the obvious reasons that the wrong drug can kill or do irreparable harm.

20) I shall now consider the goods of the two parties. For ease of reference, I set out the specifications of both parties below:

Applicant's specification	Opponent's specification
Pharmaceutical preparations and substances."	Pharmaceutical preparations, compounds and products; drugs for medical purposes; pharmaceutical preparations for the treatment of cancer; diagnostic agents for in vivo use to locate cancer; immunotherapeutic agents for cancer.

21) Neither party has made any submissions regarding the similarity or otherwise of the above goods. To my mind, the applicant's specification encompasses the whole of the opponent's goods and the specifications are therefore identical.

22) I now turn to consider the marks of the two parties. For ease of reference these are reproduced below:

Applicant's Trade Mark	Opponent's Trade Mark
TRIASA	TREANDA

23) The opponent contends that the respective marks:

"...have the identical number of syllables, share the prefix TR- and the suffix -A; and have phonetically identical prefixes TRIA- and TREA-. The differences occur in the middle of the respective marks, where they are least noticeable, and the respective marks differ by only one letter in length."

22) There are visual similarities in that the marks share the first two letters TR and they both end in the letter A. However, there are also significant visual differences. The opponent's mark is a letter longer, often not a significant factor except where the marks are quite short as in the instant case, with the mark in suit being only six letters long. I accept that the fourth letter in both is the letter A but consumers do not usually dissect marks in such a forensic manner. They will view the mark as wholes, and there are significant differences which are greater than the similarities.

23) I do not accept the opponent's contention that the prefix TRIA is phonetically identical to TREA. It can be pronounced in an identical manner but it can also be

pronounced as “TRYAH”. The applicant contends that the marks of the two parties would be pronounced “TRY-AH-ZA” and “TREE-AN-DA”. There are potential similarities if the first syllable is pronounced as set out by the opponent but thereafter the marks are dissimilar. In the applicant’s example all the syllables are different. To my mind, the differences outweigh the similarities.

24) Neither party has suggested that either mark has any conceptual meaning.

25) Taken overall although there are some similarities between the marks these are far outweighed by the considerable differences.

26) When determining whether there is a likelihood of confusion I have to take a number of factors into consideration. There is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. I must consider whether the opponent’s trade mark has a distinctive nature, the average consumer for the goods, the nature of the purchasing process and the issue of imperfect recollection. I must also take into account that these goods will be chosen with considerable care. In the instant case the opponent’s mark has a very high degree of inherent distinctiveness. To my mind, even when used on identical goods, the clear differences in the trade marks mean that there is no likelihood of confusion on the part of the public, or a likelihood of association with the earlier trade mark. The ground of opposition under Section 5(2)(b) fails.

27) I now move on to consider the ground of opposition under Section 3(6) which reads:

“3. (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

28) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that...

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

29) The Directive gives no more clue as to the meaning of “bad faith” than the Act. Subsequent case law has avoided explicit definition but has not shirked from indicating its characteristics. In *AJIT WEEKLY Trade Mark* [2006] RPC 25, Professor Ruth Annand sitting as the Appointed Person held as follows:

“[35] ... Bad faith is to be judged according to the combined test of dishonesty for accessory liability to breach of trust set out by the majority of the House of Lords in *Twinsectra Ltd v Yardley* [2002] 2 AC 164, with *Gromax Plasticulture Ltd v Don &*

Low Nonwovens Ltd [1999] RPC 367 providing the appropriate standard, namely acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined.....

[41] ... the upshot of the Privy Council decision in *Barlow Clowes* is: (a) to confirm the House of Lords' test for dishonesty applied in *Twinsectra*, i.e. the combined test [footnote omitted]; and (b) to resolve any ambiguity in the majority of their Lordships' statement of that test by making it clear that an enquiry into a defendant's views as regards normal standard of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant's conduct is dishonest judged by ordinary standard of honest people, the defendant's own standards of honesty being irrelevant to the objective element....

[44] In view of the above and in particular the further clarification of the combined test given by the Privy Council in *Barlow Clowes*, I reject Mr Malynicz's contention that the Hearing Officer erred in failing to consider the registered proprietor's opinions on whether its conduct in applying for the mark fell below ordinary standard of acceptable commercial behaviour."

30) In asserting that the marks were registered in bad faith, the onus rests with the opponent to make a prima facie case. A claim that a mark was applied for in bad faith implies some action by the applicant which a reasonable person would consider to unacceptable behaviour or, as put by Lindsay in the *Gromax* trade mark case [1999] RPC 10:

"includes some dealings which fall short of the standards of acceptable commercial behaviour".

31) The issue must be determined on the balance of probabilities. On the basis of these authorities, it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant's state of mind regarding the application for registration if I am satisfied that its actions in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

32) I also note the CJEU decision in *Chocoladefabriken Lindt & Sprungli AG v Franz Hauswirth GmbH* where it ruled that all the relevant factors must be taken into account such as:

"The fact that the applicant knows or must know that a third party is using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought;

the applicant's intention to prevent that third party from continuing to use such a sign; and

the degree of legal protection enjoyed by the third party's sign and by the sign for which registration is sought."

33) I am also aware of the comments of Mr Arnold Q.C. (as he was then) acting as the Appointed Person in *BRUTT Trade Marks* [2007] RPC 19 where he said:

"Cross-examination

23. It is the function of cross-examination to assist the tribunal to resolve conflicts of evidence. I agree with the hearing officer in thinking that cross-examination would have assisted him in the present case. It does not follow, however, that cross-examination is essential in a case where bad faith is alleged or that the tribunal cannot assess evidence or make findings of fact in its absence. Fairness requires that adverse findings should not ordinarily be made against a witness, such as a finding that he has acted in bad faith, without the witness having the charge put to him and being given an opportunity to answer it: see *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607 at 623. It should be borne in mind, however, that in proceedings such as these evidence is served sequentially and that giving a witness a proper opportunity to deal with a point will not necessarily require cross-examination.

More importantly, perhaps, if the opportunity for cross-examination is passed up, the consequence is that the tribunal must assess the evidence on that basis rather than refraining from considering the evidence and reaching a conclusion. It is instructive to remember that OHIM and the courts in most civil law jurisdictions consider themselves perfectly well-equipped to make findings that parties have acted in bad faith without the benefit of cross examination."

34) In the instant case, the applicant was well aware that the opponent was licensed to use the drug Bendamustine in the USA as the applicant owned the license for the EU and EEA. The applicant has not denied that it was aware that the opponent marketed its drug in the USA under the name TREANDA. In addition to the application in suit, it is also alleged that the applicant has filed an International application in respect of the mark TREAXA. This has not been denied by the applicant. The opponent contends that the applicant is trying "to profit from the reputation of the opponent's trade mark TREANDA by applying to register a series, or "family", of similar marks. There is no connection between the parties other than the fact that they both have obtained licenses from Astellas Deutschland GmbH to use the drug Bendamustine. The opponent is not licensed to sell its drug TREANDA in the UK as it contains this drug, it is only licensed to sell its product in the USA. I have found earlier in this decision that with regard to the marks of the two parties (TREANDA and TRIASA) there is no likelihood of confusion on the part of the public, or a likelihood of association with the earlier trade mark. Even if I

take into account the application for International registration of the mark TREAXA, the fact that the applicant was aware that the opponent was using TREANDA in the USA does not mean that it was acting in bad faith when it applied for the trade marks.

35) The ground of opposition under Section 3(6) fails.

COSTS

36) The applicant has been successful and it is therefore entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£200
Preparing evidence	£500
TOTAL	£700

37) I order Cephalon Inc. to pay Mundipharma AG the sum of £700. This sum 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 16th day of April 2012

**George W Salthouse
For the Registrar,
the Comptroller-General**