

O-055-14

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2640920
BY GECKO CORPORATE SERVICES LIMITED TO REGISTER THE TRADE MARK:**



IN CLASS 5

AND:

**OPPOSITION THERETO UNDER NO. 400218
BY MERCK KGAA**

BACKGROUND

1. On 2 November 2012, Gecko Corporate Services Limited (“the applicant”) applied to register the mark shown on the cover page of this decision. The application was accepted and published for opposition purposes on 8 February 2013 for the following goods:

Class 5 - Dietary herbal supplements.

2. Merck KGaA (“the opponent”) filed a notice of opposition directed against all of the goods in the application. The opposition is based upon a single ground under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies upon, and says it has used its trade mark, for the following goods in the registration shown below:

CTM no. 3082682 for the mark: **DIABION** applied for on 4 March 2003 and which completed its registration procedure on 7 December 2006:

Class 5 - Dietetic preparations for medical use, especially multivitamins.

Class 29 – Food supplements.

Class 30 – Food supplements.

3. In its notice of opposition, the opponent states:

“2. The opponent has used the earlier trade mark in Austria since 2004 and in Hungary since 2006 in relation to the earlier goods. The opponent has also used the earlier trade mark in the United Kingdom in relation to the earlier goods.

3...The earlier trade mark consists solely of DIABION and the contested trade mark incorporates the element DIABAIN. Both DIABION and DIABAIN consist of seven letters, six of which are identical. Furthermore, the first four letters of DIABION and DIABAIN are identical and where they differ a different vowel is used. It is well established case law that the beginnings of marks are the elements consumers pay more attention to.

4. The contested trade mark also incorporates a simple leaf device and slogan “Live a Better Life”, which are both non-distinctive elements. The element DIABAIN is prominent within the contested mark and will be retained most readily in the minds of consumers. The element DIABAIN is therefore the dominant and distinctive component. Consequently, there is a high phonetic and visual similarity between the contested trade mark and the earlier trade mark.

5. The goods “dietary herbal supplement” in class 5 of the contested trade mark are identical to “dietetic preparations for medical use” in class 5 of the earlier trade mark and highly similar to the remaining earlier goods...”

4. The applicant filed a counterstatement in which the ground of opposition is denied. The applicant states:

“3...The subject trade mark is clearly visually, phonetically and semantically different from the earlier trade mark. On a visual comparison, the subject trade mark contains the different word DIABAIN in conjunction with additional wording and design elements that are not present in the opponent’s earlier trade mark. When compared phonetically, the additional wording in the applicant’s trade mark clearly distinguishes the two trade marks. In terms of a semantic comparison, the word DIABION has no clear English meaning, so it cannot be said that on a conceptual basis the trade marks are similar to each other. For these reasons, the applicant submits that these differences are sufficient to allow consumers to distinguish between the two trade marks.

4. The applicant denies that the device element of a leaf together with the wording LIVE A BETTER LIFE should be considered to be non-distinctive elements. It is established law that a trade mark must be considered as a whole and should not be broken down into its constituent parts. Although these elements may have a lesser degree of distinctive character to the word DIABAIN, they form a distinctive whole, that is more than capable of distinguishing the applicant’s trade mark from the opponent’s earlier trade mark registration.”

5. Whilst neither party filed evidence or asked to be heard, both filed submissions during the course of the evidence rounds and the opponent filed written submissions in lieu of attendance at a hearing. I will bear all of these submissions in mind when reaching a conclusion and refer to them as necessary below.

DECISION

6. Section 5(2)(b) of the Act reads as follows:

“5 (2) A trade mark shall not be registered if because –

(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, or

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

7. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) 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,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.

(3) A trade mark within subsection (1)(a) or (b) whose registration expires shall continue to be taken into account in determining the registrability of a later mark for a period of one year after the expiry unless the registrar is satisfied that there was no bona fide use of the mark during the two years immediately preceding the expiry.”

8. In these proceedings the opponent is relying upon the trade mark shown in paragraph 2 above, which although now shown as status expired, constitutes an earlier trade mark under the above provisions. Given the interplay between the date on which the application was published and the date on which the earlier trade mark completed its registration procedure, the earlier trade mark is, in principle, subject to proof of use, as per section 6A of the Act. However, as the applicant has indicated in its counterstatement that it does require the opponent to provide proof of the use it has made of its mark, the opponent can rely upon it in respect of all of the goods mentioned in paragraph 2 above.

Section 5(2)(b) – case law

9. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* -BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the Court of Justice of the European Union (CJEU) cases mentioned) on the basis indicated below:

The CJEU cases

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; Marca Mode CV v Adidas AG & Adidas Benelux BV [2000] E.T.M.R. 723; Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01; Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04; Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.

The principles

“(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 or 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;

(e) 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;

(f) 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 of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

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

(j) 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;

(k) 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.”

The average consumer and the nature of the purchasing process

10. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties’ goods and then to determine the manner in which these goods will be selected by the average consumer in the course of trade. The opponent submits:

“...As the earlier and contested goods are pharmaceutical products, both the perception of health care professionals and the average consumer should be taken into consideration. There is therefore both a high and normal degree of attention paid to the goods...”

11. The goods at issue may be selected over the counter or made available only on prescription. As a consequence, the average consumer is either a member of the general public or a health care professional. As my experience tells me that a member of the public is likely to select such goods from a shelf in a retail outlet on the high street or from the pages of a catalogue or website, visual considerations are likely to dominate the selection process. However, as such a consumer may, when circumstances allow, also seek advice prior to making their selection, aural considerations may also come into play. I have no evidence as to how a healthcare professional would select such goods, however, I think it likely that in making their selection they will consult, for example, specialist publications (in both hard copy and on-line) and also discuss the goods at issue with, for example, sales representatives from, for example, pharmaceutical companies. As a consequence, the selection process is likely, in my view, to consist of a combination of both visual and aural considerations. As the goods at issue will be selected to alleviate a particular physical condition and will be ingested, and as factors such as contraindications will need to be borne in mind, I would expect a member of the public to pay a high degree of attention to the selection of such goods; a degree of attention which will, in my view, be further heightened when considered from the perspective of a health care professional.

Comparison of goods

12. In reaching a conclusion, I will keep in mind the decision of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05 i.e.

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more

general category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedral v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

13. As the applicant’s “dietary herbal supplements” would be encompassed by the phrase “dietetic preparations for medical use” in the opponent’s registration in class 5, the competing goods are, on the principle outlined above in *Meric*, identical.

Comparison of marks

14. The competing marks are as follows:

The opponent’s mark	The applicant’s mark
DIABION	

15. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives marks as a whole and does not pause to analyse their various details. In addition, he/she rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his or her mind. In reaching a conclusion on similarity I must compare the respective trade marks from the visual, aural and conceptual perspectives identifying, where appropriate, what I consider to be the distinctive and dominant elements of the respective marks.

Distinctive and dominant elements

16. As the opponent’s mark consists of the word DIABION presented as a single word in upper case, and as no part of the word is highlighted or emphasised in any way, there are no dominant or distinctive elements; the distinctiveness lies in the mark as a whole.

17. The applicant’s mark consists of three elements. The first is a stylised device of a leaf presented in a stylised circular device. This appears as the first element of the mark above the word elements which accompany it. Given its size and positioning relative to the other elements in the mark, it is, in my view, a dominant element of the mark. As to its distinctiveness, the opponent submits that:

“in the context of the contested goods, a representation of a leaf is descriptive and non-distinctive, due to its obvious connection to herbal based goods.”

As to the circular device, the opponent submits:

“A circle is also a simple device carrying very low distinctive character.”

18. Whilst in its counterstatement the applicant accepts that the device element has:

“a lesser degree of distinctive character to the word DIABAIN”,

in its submissions it argues that:

“the combination of the leaf and circle in an original design cannot simply be disregarded. It is an important element of the mark with equal prominence to the word DIABAIN...”

19. The device element of the applicant’s mark appears as the first element of the mark, occupies a significant portion of the mark and, in my view, consists of more than just a straightforward representation of a leaf in a conventional circular device. However, as herbal supplements are made from plants (a fact which will be well known to the average consumer), if the device element of the applicant’s mark has any distinctive character at all, it must, in my view, be at the very lowest of levels.

20. The second element of the applicant’s mark is the word Diabain presented in title case and which has a device of a leaf in place of the tittle. As far as I am aware the word Diabain is a distinctive element of the applicant’s mark. Given its size and positioning in relation to the other elements in the mark, it is, in my view, also a dominant element.

21. That leaves the words “Live a Better Life” to consider. These words appear below the word Diabain and in significantly smaller script. Here, again, the applicant accepts that these words have a lesser degree of distinctive character than the word Diabain. In relation to this element of the mark, the opponent submits:

“Live a Better Life” functions as a promotional tag line as it has a clear descriptive message that the contested goods and earlier goods which are pharmaceutical goods are able to assist or improve health of a person to the extent that person has an overall better life.”

22. I agree with the opponent’s position. In my view, the words “Live a Better Life” are, given their size and positioning within the mark and their descriptive/non-distinctive character, neither a dominant nor distinctive element of the applicant’s mark. I will bear these conclusions in mind when approaching the visual, aural and conceptual comparison.

Visual comparison

23. The opponent's mark consists of the seven letter word DIABION presented in upper case, whereas the applicant's mark consists of the three elements mentioned above, one of which is the seven letter word Diabain presented in title case and accompanied by a device of a leaf as a tittle. As to the leaf device which appears as part of the word Diabain, this is, if my experience in writing this decision is anything to go by, likely to be largely overlooked by the average consumer. Insofar as the words DIABION and Diabain are concerned, the fact they share the same first four letters in the same order i.e. DIAB, the letter I (albeit in slightly different positions in the marks) and the same final letter "N", results in these two elements of the competing marks being visually similar to a high degree. When the two marks are compared as totalities, the degree of visual similarity between these two elements, in my view, still results in the marks as a whole being visually similar to a reasonable degree.

Aural similarity

24. It is well established that where a mark consists of a combination of words and devices, it is by the words that the average consumer is most likely to refer to the mark. The opponent's mark is, in my view, most likely to be pronounced as a three syllable word DI-A-BAIN, whereas the first word element of the applicant's mark will, I think, be pronounced as a four syllable word DI-AB-I-ON. The similarity in the beginnings of both marks, will, in my view, result in a fairly high degree of aural similarity between them. Although the applicant's mark also contains the words "Live a Better Life", given their size in relation to the word Diabain and their descriptive and non-distinctive nature, I very much doubt that the average consumer would articulate these words when selecting the goods orally, but, if they do, it would, of course, reduce the degree of aural similarity between the competing marks. However, even in these circumstances, the fact that these words would be articulated by the average consumer after the word Diabain, would still, in my view, result in a reasonable degree of aural similarity overall.

Conceptual similarity

25. The opponent argues that as the DIAB element in both marks is derived from the word diabetes, there is "some conceptual overlap" between the marks. However, as there is no evidence to indicate that the average consumer would understand this element in this manner, I agree with the applicant that the competing marks will be treated as invented words. As a consequence, the conceptual position is neutral.

Distinctive character of the earlier mark

26. I must now assess the distinctive character of the earlier mark. The distinctive character of a mark can be appraised only, first, by reference to the goods and services for which it is registered and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly

distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the goods and services for which it has been registered as coming from a particular undertaking and thus to distinguish those goods and services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

27. As the opponent has not filed any evidence in these proceedings, I have only the inherent characteristics of its mark to consider. Consisting as it does of an invented word, the opponent's DIABION mark is, in my view, possessed of a high degree of inherent distinctive character.

Likelihood of confusion

28. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first 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. As I mentioned above, it is also necessary for me to factor in the distinctive character of the earlier trade mark, as the more distinctive this trade mark is the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

29. I begin by reminding myself that the competing goods are identical and that the average consumer, whether it be a member of the public or a healthcare professional, will, given the nature of the goods at issue, pay a high degree of attention when selecting the goods. I have also concluded that it is the word Diabain which is the distinctive (if non dominant) element of the applicant's mark, there is (at least) a reasonable degree of visual and aural similarity between the competing marks, the conceptual position is neutral and the opponent's earlier mark is possessed of a high degree of inherent distinctive character. In *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04 in which the CJEU stated:

“29. In the context of consideration of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components (see *Matratzen Concord*, paragraph 32).

30. However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible

that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31. In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32. The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33. If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.

34. This would be the case where, for example, the owner of a widely-known mark makes use of a composite sign juxtaposing this mark and an earlier mark which is not itself widely known. It would also be the case if the composite sign was made up of the earlier mark and a widely-known commercial name. In fact, the overall impression would be, most often, dominated by the widely-known mark or commercial name included in the composite sign.

35. Thus, contrary to the intention of the Community legislator expressed in the 10th recital in the preamble to the directive, the guarantee of the earlier mark as an indication of origin would not be assured, even though it still had an independent distinctive role in the composite sign.

36. It must therefore be accepted that, in order to establish the likelihood of confusion, it suffices that, because the earlier mark still has an independent distinctive role, the origin of the goods or services covered by the composite sign is attributed by the public also to the owner of that mark.”

30. In my view, the word Diabain plays an independent and distinctive role in the applicant's mark. As a consequence, there is a likelihood that, notwithstanding the degree of care taken during the selection process, the average consumer will confuse the competing marks. Given that the first and third elements of the applicant's mark possess little or no distinctive character, this likelihood of confusion is, in my view, likely to be direct i.e. the competing marks will be mistaken for one another. However, even if I am wrong in that regard, given the degree of similarity between the opponent's mark and bearing in mind the role the word Diabain plays in the applicant's mark, there will, at the very least, be a likelihood of indirect confusion i.e. the average consumer will assume the goods come from undertakings which are economically linked.

Overall conclusion

31. The opposition succeeds and, subject to any successful appeal, the application will be refused.

Costs

32. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. Using the TPN mentioned as a guide, I award costs to the opponent on the following basis:

Preparing a statement and considering the applicant's statement:	£200
Written submissions (filed during the evidence rounds and in lieu of a hearing:	£500
Opposition fee:	£200
Total:	£900

33. I order Gecko Corporate Services Limited to pay Merck KGaA the sum of **£900**. 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 3rd day of February 2014

C J BOWEN
For the Registrar
The Comptroller-General