BL O/0999/23

O/932/22

IN THE MATTER OF THE TRADE MARKS ACT 1994

AND IN THE MATTER OF

TRADE MARK APPLICATION NO. 3648128

BY LABORATOIRES SVR

TO REGISTER

[HYALU] BIOTIC

IN CLASS 3

AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 427352

BY SOFAR SWISS SA

APPEAL FROM THE DECISION OF THE HEARING OFFICER AKIRA KLASS dated 27 October 2022

DECISION OF THE APPOINTED PERSON

1. This is an appeal against the Decision of the Hearing Officer to refuse registration of the Applicant's mark [HYALU] BIOTIC ('the Mark applied for'). The Mark applied for had been opposed under s5(2)(b) by the Opponent based on its earlier registration of the mark YALU ('the Opponent's Mark').

2. The goods for which the Mark was applied for and the goods of the Opponent's Mark were identical, namely cosmetics (in fact the Mark applied for simply used the term 'cosmetics' whereas the Opponent's Mark listed a variety of more specific cosmetic products, but this is not material).

3. The Mark applied for comprises two words. The second word 'BIOTIC' is plainly descriptive, meaning a biologically derived material. The first word [HYALU] is obviously highly similar to the word YALU which comprises the whole of the Opponent's Mark (the brackets having little or no distinctive significance).

4. The Opponent's case was that in the circumstances the similarity between HYALU and YALU was therefore such as to be likely to cause confusion amongst the public. On the face of it (and speaking myself as a non-user of cosmetics) this looks at first sight to be a compelling argument. However, as the pleadings in the Opposition made clear, the issue was not as straightforward as it may seem.

5. The Grounds of Opposition (having pointed out that the word BIOTIC was not distinctive at all), said this:

   'The word 'HYALU' does not have a meaning in English'

   and went on to say that it was therefore

   'the distinctive and dominant part of the opposed mark'

   This was denied by the Applicant in its Counterstatement, who said this:

   'The Applicant denies the Opponent's claim that the element HYALU does not have a meaning in English. The element HYALU is a known abbreviation for hyaluronic acid which is a commonly used ingredient in cosmetics. As such the element HYALU in the application is not dominant and distinctive and the distinctive character is in the mark as a whole.'

6. Clearly, this was a key dispute in the case. As the Hearing Officer held at paragraph 41, the word HYALU in the Mark applied for *'enjoys independent significance'.* If it had no natural meaning to the average consumer, then one can well imagine that they might think it was connected to the brand YALU, given the similarity between the words (particularly in the context of oral use where the H might be missed). However, if the average, consumer can be assumed to understand that the word HYALU is a common abbreviation for hyaluronic acid, or at least that it is used in the trade to indicate a specific active ingredient, then there would be no reason for them to assume that it was an indicator of brand origin.

7. Despite the critical nature of this issue, and her recognition (by reference to my decision in Kurt Geiger BL O/075/13) that the distinctiveness of the common element between the marks was key, the Hearing Officer spent very little time considering it in her Decision. In paragraph 31, dealing with *'conceptual similarity',* and having recorded the Applicant's contention about hyaluronic acid, she simply stated

   'It is not my view that the average consumer would make a link between the HYALU element and hyaluronic acid.'

8. On the basis of that finding, the Hearing Officer's ultimate decision that there was a likelihood of indirect confusion (the Mark applied for being seen as a brand extension of the Opponent's Mark) seems to me entirely reasonable. However, the question is whether it was a legitimate finding on the evidence.

9. The reason the Hearing Officer dismissed the point so readily was that she had already considered the evidence in paragraphs 8 and 9 of her Decision under the heading 'Preliminary Issue'. The evidence consisted of two exhibits to a witness statement from the Applicant's trade mark attorney Mr Lewis of Dolleymores. The first exhibit CL1 comprised a list of a large number of trade marks including the word HYALU for cosmetics from a range of different applicants. The second exhibit CL2 contained extracts from a number of websites showing the sale of a range of

different cosmetic products from different manufacturers containing hyaluronic acid all under names which includerd the word HYALU.

10. In paragraph 8, having referred to the evidence in CL1, the Hearing Officer remarked that

'while not expressly pleaded, I am of the view that such evidence was filed to indicate that the opponent's mark is of weak distinctive character due to the presence of several similar marks on the trade mark register'.

This was not a correct analysis of the position. As we have seen, the Counterstatement had pleaded that the element HYALU was a known abbreviation for hyaluronic acid, a commonly used ingredient in cosmetics. As a result, the element HYALU was not a distinctive part of the Mark applied for. The clear implication was that HYALU would be taken as a descriptive element of the Mark applied for, and would therefore not create confusion with the Opponent's Mark.

11. The Hearing Officer then quoted from the General Court decision in Zero Industry v OHIM T-400/06 to the effect that the mere existence of marks on the register relating to the goods in issue which contained the word ZERO (without evidence of use) was not enough to establish that the distinctive character of that element of the applicant's mark had been *'weakened'* by its frequent use in the field. She went on to state her view that the presence of multiple marks containing the word HYALU was irrelevant to her assessment. Finally she mentioned the evidence in CL2:

'Whilst the applicant has provided some evidence of use of a HYALU mark in the marketplace in the form of screenshots from online cosmetic stores selling cosmetics bearing the mark HYALU; it is not clear that this evidence pertains to the marks referenced on the Register. Further, even if the evidence did pertain to the aforementioned marks, there is nothing to indicate that these goods were sold. Therefore the evidence of the Register does not assist the applicant. I will say no more about this evidence.'

12. I do not accept the Hearing Officer's reasoning or her conclusion about the significance and probative value of the evidence in CL1 and CL2 for the following reasons:

(i) It seems to me that even the evidence of CL1 alone is probative of the Applicant's case that the word HYALU is descriptive of an ingredient of cosmetic products. There is no obvious alternative reason for such a combination of letters to appear in multiple marks from different companies, all in the field of cosmetics. Indeed, the fact that these marks appeared to co-exist on the Register without challenge to each other, or to the Opponent's Mark, is itself suggestive that the proprietors of the marks do not see anything distinctive in the word HYALU itself.

(ii) The Zero case was different. First of all, it concerned the strength or otherwise of the distinctive character of the opponent's mark, not the descriptiveness of the applicant's mark. In fact, as the General Court remarked at paragraph [70], there was no suggestion that the meaning of the word in issue (ZERO) bore any relationship to the goods or their characteristics. That being the case, the only possible relevance of the presence of marks on the Register containing the word ZERO would have been to show that the public were used to seeing the word ZERO used in trade marks and that it was therefore of low distinctive character. For that reason, evidence of actual use of the trade marks in question was critical. Here, the question is whether a word has an actual meaning established by custom in a particular field. For that purpose it may be legitimate to consider the sheer number of marks on the Register which include it.

(iii) The evidence in CL2 was, as the Appellant points out, free-standing on the question of descriptiveness. The Hearing Officer seems to have regarded it merely as an adjunct to the evidence of CL1, and therefore dismissed it on the basis that it was not clear that the evidence pertained to the marks on

the Register. It seems to me that the evidence of CL2 was perfectly capable of being probative in its own right, as indicating the offering for sale of a large number of different cosmetic products under names including the word HYALU for products including hyaluronic acid, whether or not the products had the same names as the marks on the Register. Indeed, it could be said that evidence of the use of yet more names in addition to those on the Register made it even more probative.

(iv) The Hearing Officer's conclusion that *'there is nothing to indicate that these goods were sold* [before the priority date]*'* may be literally correct in that she was only referring to goods advertised in CL2 under marks which can also be found in CL1. However, there is certainly evidence in CL2 that many products which are presently being sold under marks including the word HYALU were being sold before the priority date. In its submissions before me the Appellant has identified evidence from CL2 that at least 6 of the products (mostly those advertised on Amazon, where 'date first available' information can be obtained) were on sale well before the priority date. These submissions have not been challenged.

13. Properly considered, I believe that the combined effect of the evidence in CL1 and CL2 is that the Applicant was correct in its assertions about the significance of the word HYALU. I consider that it has been shown to the required standard that HYALU had an established meaning at the priority date, namely as the commonly-used abbreviation for hyaluronic acid, a well-known active ingredient in cosmetics. The average consumer is deemed to be 'reasonably well-informed' and I consider it is reasonable to suppose that a consumer of these kinds of products will therefore be familiar with the term.

14. In the circumstances, the only similarity between the Mark applied for and the Opponent's mark lies in an element which (in the Mark applied for) is descriptive and has no distinctive character. There is thus no risk of confusion.

15. I am not disappointed to reach this conclusion. It seems to me that the Opponent could not legitimately have registered the word HYALU, being devoid of distinctive character under s3(1)(b), and/or designating a characteristic of the goods under s3(1)(c) and/or consisting exclusively of a sign which had become customary in the current language or in the *bona fide* and established practices of the trade under s3(1)(d). It would plainly be absurd if an effective monopoly over the word HYALU could nonetheless be achieved by registering the word YALU.

16. In the circumstances I reverse the Order of the Hearing Officer. The Opposition is dismissed and the Mark shall proceed to grant. I note that the Hearing Officer awarded £800 in costs. I shall reverse this so the Opponent shall pay £800 to the Applicant in respect of the proceedings below, plus a further £500 for this Appeal.

IAIN PURVIS KC

The Appointed Person

24 October 2023