

O-273-03

TRADE MARKS ACT 1994

**IN THE MATTER OF PROTECTED INTERNATIONAL REGISTRATION
No. 767758 OF SANOFI-SYNTHELABO**

AND

**IN THE MATTER OF A REQUEST BY STADA ARZNEIMITTEL AG
UNDER No. 16026 FOR A DECLARATION OF INVALIDITY
IN RESPECT THEREOF**

TRADE MARKS ACT 1994

IN THE MATTER OF Protected International Registration No. 767758 of Sanofi-Synthelabo

and

IN THE MATTER OF a request by Stada Arzneimittel AG under No. 16026 for a Declaration of Invalidity in respect thereof

Background

1. International trade mark No. 767758 of Sanofi-Synthelabo (Sanofi) is protected in the UK under the number 767758. The mark in question is AAXEL and the specification covers:

Class 05: - synthetic salt for dietetic and medical use

Class 30 - dietetic salt.

2. The filing date of the protected international registration is 18 September 2001. I note that a priority date of 30 May 2001 is claimed.

3. On 3 July 2002 Stada Arzneimittel AG (Stada) filed an application for a declaration of invalidity in respect of this protected international registration. They do so under Section 47(2)(a) and Section 5(2)(b) of the Act.

4. Stada are the proprietors of Community Trade Mark registration No. 2151298. The mark in question is:



and it is registered in respect of the following goods and services:

Class 03: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

Class 05: Pharmaceutical, veterinary and sanitary preparations; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides.

Class 42: Providing of food and drink; temporary accommodation; medical, hygienic and beauty care; veterinary and agricultural services; legal services; scientific and industrial research; computer programming; planning and conducting of projects in the field of medicine supply, consultancy in the field of healthcare.

5. No. 2151298 has a filing date of 27 March 2001 and is thus an earlier trade mark within the meaning of Section 6(1)(a) of the Act even allowing for the priority date claimed by Sanofi. Stada says that this registration covers identical or similar goods and is in respect of a similar mark such that there exists a likelihood of confusion. Objection is taken against all the goods of Sanofi's registration.

6. Sanofi filed a counterstatement denying the above ground. In particular they do not deny that their Class 5 goods fall within the scope of Stada's Community registration but do dispute that there is any conflict between their Class 30 goods and the goods or services of Stada's registration. They deny that the respective marks are similar.

7. Both sides ask for an award of costs in their favour.

8. Both sides filed evidence. The parties were reminded of their right to be heard or to offer written submissions. Neither side has asked to be heard. Written submissions have been received from J A Kemp & Co on behalf of Sanofi. Acting on behalf of the registrar and with the above material in mind I give this decision.

Decision

9. Section 47(2) reads as follows:

“(2) The registration of a trade mark may be declared invalid on the ground -

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b)

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

10. Section 5(2)(b) 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.”

11. I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1 *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77.

Comparison of goods

12. Sanofi concede that their Class 5 goods fall within Stada’s Class 5 specification. That is particularly the case in relation to “dietetic substances adapted for medical use” in the latter’s specification. Sanofi deny that there is any conflict so far as their Class 30 specification is concerned (dietetic salt). I do not accept that that is the case. I note that Sanofi’s specification has dietetic salt in both Class 5 and Class 30. The dividing line is not a clear-cut one. Dietetic simply means relating to diet or the regulation of food intake (Collins English Dictionary). A dietetic product for medical use may simply be a stronger or more refined version of a product that is otherwise available for purchase in other contexts. Low sodium salt, for instance, is available on supermarket shelves. I regard such products as being similar and, almost certainly, closely similar.

Distinctive character of the respective marks

13. The distinctive character of Stada’s mark is a factor that must be taken into account (*Sabel v Puma*, paragraph 23). 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 (*Sabel v Puma*, paragraph 24). In evidence filed on behalf of the applicants by Luc Slegers of their Belgian subsidiary it is said that:

“Our Community trade mark No. 2151298 (which I shall refer to hereinafter as “our @@XL pharma mark”) is currently used in Belgium as a company name. the company AAXL Pharma NV was founded on December 22, 1997 and is the main supplier of pharmaceutical products and services relating to logistics and administration of Eurogenerics NV. The total turnover in 2001 amounted to 22.334.672€”

14. No further information is given to indicate whether any of this turnover relates to sales in the UK under the mark. The character of Stada’s mark, therefore, rests on its inherent, rather than any acquired, distinctiveness. The mark consists of repeated @ symbols, the letters XL and the element or word pharma. The individual elements are conjoined but the element pharma appears

in white lettering against a black rectangular background with rounded corners. One of the diagonals of the letter X has lengthened arms which appear to fade towards their extremities. The whole seems to me to make for an unusual mark both in terms of its main elements (with the possible exception of 'pharma' which may be seen as an abbreviation for pharmaceutical or pharmacy) and the overall construction or composition. Stada are entitled to claim that it enjoys a relatively high degree of distinctive character.

15. Sanofi's mark is the word AAXEL. I note that Monica Anne Marshall of J A Kemp & Co, Sanofi's professional representatives in this matter, says that she is advised by Sanofi that the mark AAXEL was adopted in part because of the evocation of a substitution salt, with A inferring without and XEL inferring salt (the French word for salt being sel). There might be some force to this latter submission if it had been shown that Sanofi's intentions were shown to be reflected in consumer perception and understanding of the mark AAXEL. In the absence of evidence on the point I feel unable to give any weight to this particular submission.

16. I am not aware that AAXEL is a dictionary word and for the reasons given above it is not shown that consumers would ascribe any meaning to it in the context of the goods. It enjoys a distinctive character as an invented word.

Similarity of marks

17. The visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by those marks bearing in mind their distinctive and dominant components, *Sabel v Puma* paragraph 23. The matter must be judged through the eyes of the average consumer of the goods/services in question, *Sabel v Puma*, paragraph 23; the average consumer is deemed to be reasonably well informed and reasonably circumspect and observant but rarely has the chance to make direct comparisons between marks. Imperfect recollection must, therefore, be allowed for, *Lloyd Schuhfabrik v Klijsen Handel*, paragraph 27.

18. Luc Slegers, for Stada, comments in his evidence that it is expected that those who deal with prescription, distribution and ordering of pharmaceutical products are likely to do so more and more by computer and over the Internet. The use of the @@ symbols is intended to make a mental link to this effect. He also submits that the mark @@XLpharma is "inevitably pronounced as "AA pharma" or "double A pharma".

19. Ms Marshall, for Sanofi, submits that the respective marks are visually, aurally and conceptually different; the only common characters are the letters X and L; the @ symbol is widely recognised as meaning 'at'; normal pronunciation of Sanofi's mark would be as a single word (axle) whereas Stada's mark would be spoken as three elements, namely "at-at" or "double at", "excel" and "pharma"; even if the @ symbol is referred to as AA or double A it would still be a separate element from what follows.

20. Turning to my own view of the matter, Stada's mark is composed of an unusual combination of elements. Whether the use of the @ symbol creates the computer/internet association that Stada claim is not clear though I accept that the common use of @ in e-mail addresses has brought that symbol into prominence. The mark as a whole has a strong visual appeal. Sanofi's

mark, on the other hand, is more likely to be seen as a word albeit one that is not recognised as a dictionary, or otherwise meaningful, one. Analysis of the mark suggest certain points of similarity in terms of a repeated first element and the presence of the letters X and L. But consumers do not approach trade marks in a spirit of analysis (*Sabel v Puma*, paragraph 23). The overall degree of visual similarity is in my view small.

21. Phonetically Stada say that their mark is inevitably pronounced as AA pharma or double A pharma. There is no evidence to support such a view of the matter and it does not sit comfortably with Stada's claim that some importance is attached to the @ symbol as a means of signifying a computer or internet association. I cannot rule out the possibility that the natural propensity to look for words or patterns in combinations such as this might lead some consumers to articulate the mark in the way suggested. However, I am not convinced that such an approach is particularly likely. Even if I am wrong on this point then, on Mr Slegers' view of the matter, he appears to suggest that the @ symbols would be pronounced as individual letters A or double A rather than a single 'a' sound. It opens up the prospect of a variety of ways of pronouncing Stada's mark depending not merely on the @@ element but also whether XL is pronounced as letters or equivalent to an 'xel' sound. The most that I am able to say is that there must be some doubt as to how Stada's mark would be referred to in speech. One (but not necessarily likely) possibility might produce a result that would be phonetically similar in its first two syllables to Sanofi's mark which is likely to be pronounced as if it were the word axle. This, in my view, is the high point of Stada's case.

22. If I am right in thinking that neither mark will yield any ready meaning to consumers then it is likely to follow that the marks have little in common other than their inventedness. If Stada are right in thinking that their mark evokes a computer/internet association then that is something that is absent from Sanofi's mark. Either way the result is the same – there is no conceptual similarity.

Likelihood of confusion

23. The likelihood of confusion must be appreciated globally taking account of all relevant factors (*Sabel v Puma*, paragraph 22). There is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character (*Sabel v Puma*, paragraph 24). I also bear in mind the principle of interdependency which indicates that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and vice versa (*Canon v MGM*, paragraph 17).

24. Mr Slegers makes a number of submissions bearing on the factors I should take into account in determining the issue of likelihood of confusion. Firstly it is said that "as the letter "a" comes first in the alphabet, the @@ XL pharma mark will always be listed first in IT lists, computer files, etc." Furthermore AAXEL, Sanofi's mark, will be listed alongside Stada's mark. Secondly Mr Slegers points to the potential consequences of confusion over the names of pharmaceutical and similar products. Thirdly it is said that there are no other marks similar to those in issue here on either the UK or CTM register. Fourthly it is said that Sanofi are well aware of Stada's activities and it is inconceivable that they devised their mark coincidentally.

25. Ms Marshall addresses the first of these points in her evidence. She disputes the suggestion that the marks would appear alongside each other in alphabetical listings. By reference to an exhibited extract from Chambers 20th Century Dictionary she submits that marks with A as a first character would be grouped with other words starting with letters, whilst the mark with @ as a first character would be grouped with other words starting with symbols. On the basis of the limited dictionary evidence I accept Ms Marshall's point. Whether the point also holds good in relation to pharmaceutical or medical listings and directories is not clear. I do not understand Sanofi to dispute Mr Slegers' second and third points above. They counter by pointing to their success in similar actions in other jurisdictions but I find this information of limited value in determining what the position is in the UK. Mr Slegers fourth point appears to hint at bad faith in Sanofi's choice of mark. No such ground has been raised and in consequence the matter amounts to no more than an unsubstantiated claim which is of no direct relevance or assistance in determining the Section 5(2)(b) objection.

26. Before coming to my own view of the matter I should comment briefly on Mr Slegers' submissions in relation to the consequences of confusion where pharmaceutical and similar products are concerned. In *OROPRAM Trade Mark*, O/208/02 Professor Annand, sitting as the Appointed Person, considered whether different standards should be applied where pharmaceutical trade marks are concerned. In allowing the opponents' appeal she indicated as follows:

“I have arrived at this 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.”

27. I approach the matter on that basis and bearing in mind that identical and similar goods are involved. The key to this case, it seems to me, is the nature of the distinctive character of the respective marks. Stada's mark relies heavily on the collocation of symbols, letters and an abbreviated word. Even if consumers attempted to articulate those elements into a word (and there is no evidence to say that they do or are encouraged to do so) I do not think they would lose sight of the novelty of composition that gives the mark its particular character. Those features are not present in Sanofi's mark which is more likely to be seen as a word which, even though it is not a known one, is likely to be approached on the basis of its similarity to the dictionary words axel or axle. Making the best I can of the matter I am not persuaded that Sanofi's mark captures the distinctive character of Stada's mark to the point that there is likelihood of confusion. Due allowance must be made for imperfect recollection and also for the possibility that, even absent direct confusion, the association between marks can on occasions lead to the mistaken belief that goods sold under the respective marks emanate from the same or economically linked undertakings (*Canon v MGM*, paragraph 29). I am satisfied that in this case neither of these considerations points to a different outcome. In the event, therefore, the application for invalidity fails.

28. Sanofi is entitled to a contribution to its costs. I order Stada to pay them the sum of £1000. 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 9th day of September 2003

**M REYNOLDS
For the Registrar
the Comptroller General**