

O-318-05

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 2319872 STANDING IN THE
NAME OF MAKHTESHIM-AGAN (UK) LTD**

AND

**IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF
INVALIDITY THERETO UNDER NO. 81719 BY BAYER AG**

**IN THE MATTER OF registration
No. 2319872 standing in the name of
Makhteshim-Agan (UK) Ltd and in the
matter of an application for a declaration of
invalidity thereto under No. 81719 by Bayer AG**

Background

1. The trade mark BEMA was applied for on 3 January 2003. The registration procedure was completed on 13 June 2003. The mark stands in the name of Makhteshim-Agan (UK) Ltd and is registered in Class 5 for a specification of goods reading as follows:

Agrochemicals; herbicides, fungicides, insecticides, pesticides; preparations for destroying vermin and harmful creatures.

2. On 4 May 2004 Bayer AG applied for a declaration of invalidity of the above registration. The application is made on the basis that the mark was registered in breach of Section 5(2)(b) of the Act because of the existence of the applicant's earlier trade mark. The applicant's claim is based on registration No. 2014216 for the mark BEAM, registered in respect of the following goods, also in class 5:

Preparations for killing weeds and destroying vermin; insecticides; fungicides; herbicides; but not including veterinary preparations or preparations for use on humans.

3. The registered proprietor filed a counter-statement essentially denying the above grounds and putting the applicant to proof of its claims.

4. Both sides filed evidence and both ask for an award of costs. Neither party requested to be heard, but the registered proprietor did file written submissions. After a careful study of all the papers, I give my decision.

Applicant's evidence

5. This consists of a statutory declaration and two witness statements. The statutory declaration, dated 22 November 2004 is by Andrew Peter Albert.

6. Mr Albert states that he is the Product Manager for Combinable Crops at Bayer CropScience Ltd ("his company"), a position he has held since September 2002. He explains that his company is a wholly owned subsidiary of the applicant, that he is authorised to speak on behalf of his company and that the information in his statutory declaration comes, unless otherwise stated, from his own personal knowledge or from the books, records and accounts of his company.

7. Mr Albert states that the trade mark BEAM was first used by Bayer PLC in the UK in 1998. He goes on to explain that in 2002 Bayer PLC acquired Aventis Cropscience and in the UK formed Bayer CropScience Ltd. Bayer PLC is also a wholly owned subsidiary of the applicant.

8. Mr Albert says the trade mark BEAM has been in continuous use since 1998 in relation to “Agricultural fungicide for control of a range of diseases in wheat, barley and rye.” He states that the mark has been used in the UK on these goods by way of labels and on the carton of the product itself and he exhibits copies of these labels at APA1.

9. Mr Albert says that the total sales value of goods sold under the mark in the UK since the date of first use is approximately £1,127,844 broken down as follows:

Year	Turnover (£)
1998	529,310.00
1999	234,372.00
2000	154,732.20
2001	20,102.88
2002	24,998.40
2003	53,776.32
2004	110,551.43 (to August)

10. Mr Albert states the mark has been used by his company via specialised agricultural distribution companies with depots in a number of named locations in the North-West, North-East and North of England and in Scotland.

11. As to advertising, Mr Albert states the mark has been publicised in several different types of publication including a pocket guide for customers, a copy of which is exhibited at APA2. Product manuals giving full details of the product range are produced on a regular basis for distribution to customers who, Mr Albert says, are farmers, distributor companies and farmer advisers. Examples of the manual are exhibited at APA3. At APA4 Mr Albert exhibits print outs showing the mark and taken from a CD called Crop Protection Guide which was produced in 2002. He also exhibits at APA5 a copy of the UK Pesticide Guide 2004 which mentions the mark.

12. The first of the witness statements is by Mark Ballingall and is dated 25 January 2005. Mr Ballingall is the Technical Manager of CSC Crop Protection Ltd (“his company”), a position he has held for 7 months. He has been employed by his company since 1987 and has held various positions including Regional Agronomist, Potato Agronomist and Technical Officer.

13. Mr Ballingall states that his company is an agrochemical distributor and contract applicator, applying and distributing agrochemicals. His company is, he says, well known in its field and enjoys approximately 30% of the agrochemical market in Scotland and the North-East of England. His company is a distributor for both the applicant’s and the registered proprietor’s products and he is aware of both the BEAM and BEMA products.

14. Mr Ballingall explains that in the majority of his company’s stores, products are stored alphabetically. He doesn’t explain how many stores are involved nor how the products are stored in the remaining stores. The remainder of Mr Ballingall’s witness statement is taken up with comments on how products are likely to be stored on farms and the risk of confusion between the products on farms and during order processing.

15. The second witness statement is by Ruth East and is dated 12 December 2004. Ms East states she is an independent agronomist having been a member of the Association of Independent Crop Consultants for 23 years, the director of Field Technique Ltd for 17 years and, for the past 5 years, the owner of an independent agronomy business.

16. Ms East confirms that she has no direct relationship with either the applicant or the registered proprietor although, as with other agrochemical manufacturers, she has met with technical representatives of both companies for product updates and briefings. This, she says, is a necessary part of her job so that she is aware of the agrochemical products which are available.

17. Ms East states that the BEAM and BEMA products have different active ingredients and goes on to provide a commentary on similarity and confusability of the two marks.

Registered proprietor's evidence

18. The registered proprietor's evidence consists of three witness statements. The first is by Richard Makepeace and is dated 8 June 2005.

19. Mr Makepeace is the managing director of Oxford Agricultural Consultants Ltd, a post he has held since 1984. He says that his company advises customers in relation to product registration and development.

20. Mr Makepeace says he is an expert in the field of pesticides. He is currently on the BCPC working party of Pesticide Application although he does not explain what this is. He goes on to say that prior to setting up his company he worked for MAFF in the Pesticide Approval Scheme for 14 years. He has, since then, served on several pesticide consultative committees.

21. Mr Makepeace states that he has looked at existing pesticide products and that in his opinion there are numerous pesticides which have very similar names. He exhibits at RM1 a copy of the Code of Practice for the safe use of Plant Protection Products. He sets out the instructions on product identity which are given under that code of practice and the Control of Pesticides Regulations under which they are made. From these instructions he concludes that the trade name itself is a trivial part of a pesticide's identity. He says that the code of practice emphasises that the onus is on a supplier or user to read and fully understand the information on a pesticide product's label before selling, recommending or using it.

22. Mr Makepeace says that storemen, advisors and users are required to undertake extensive training and on this basis his opinion is that there is no likelihood of confusion between the respective products.

23. The witness statement of David Kirkham is dated 7 June 2005. Mr Kirkham gives details of his qualifications and says he has been a practising agronomist for 25 years with experience at both distributor and independent levels. As part of his duties, Mr Kirkham visits a large number and variety of farms and always audits the farm spray store. In his experience, strong emphasis is placed on understanding product labels

and the close reading and understanding of both crop sheets and product label prior to using any pesticide.

24. Mr Kirkham goes on to explain the differences between the BEAM and BEMA products and their respective uses. He concludes his evidence by stating that most spray operators receive a level of training in order to achieve registration and that because of this, confusing the respective products through similarity of name and rate of use is unlikely.

25. Michael Christopher Barrett has also provided a witness statement. It is dated 7 June 2005. Mr Barrett is the commercial manager of the registered proprietor, a position he has held since April 2005. Prior to that date he'd worked for the same company as a campaign manager since January 2004. He confirms that the information in his witness statement comes from his own knowledge and the records of his company to which he has full access.

26. After giving details of his company's registered trade mark, Mr Barrett explains that his company obtained approval from the Pesticide Safety Directorate in respect of the mark in relation to the goods for which it is registered in July 2004. Use of the mark on the goods commenced on 9 July 2004 and has been used solely in relation to an agricultural herbicide for the control of many annual grasses and broad-leaved weeds in a wide range of crops.

27. Mr Barrett sets out the content of his company's product and explains how the goods are packaged. He exhibits at MCB1 sample labels and packaging showing the mark BEMA. Mr Barrett says that his company sells goods under the mark throughout the UK through a number of core retailers. Sales to date have been what amounts to a commercial trial as they test-market the acceptance of the products and amount to what he says is an acceptable level. At MCB2 he exhibits sample invoices detailing the sales of products under the mark.

28. At MCB3 Mr Barrett exhibits samples of advertising which appeared in various trade magazines. He explains that costs of approximately £6000 were incurred in the initial promotion of the mark.

29. Mr Barrett says despite both BEAM and BEMA products being available in the market place since July 2004, he is not aware of any instances of confusion between the marks or the product.

Evidence in reply

30. The applicant has filed two witness statements as evidence in reply. The first is by Nicholas Keith Howick, of Carpmaels & Ransford, the applicant's trade mark representatives. Mr Howick makes various criticisms of the evidence provided by both Mr Barrett and Mr Kirkham. I will take these comments into account as appropriate.

31. The final witness statement is by Steve Patterson and dated 3 August 2005. Mr Patterson is head of marketing at Bayer CropScience Ltd, a position he has held since September 2002. He confirms that he is authorised to speak on behalf of his company

and that unless otherwise stated the evidence he gives comes from his personal knowledge or the books, records and accounts of his company, to which he has full access. He also confirms that his company is a wholly owned subsidiary of the applicant company.

32. Mr Patterson also makes various criticisms of the evidence of Mr Barrett and Mr Makepeace and again, I will take these comments into account as appropriate.

33. That concludes my summary of the evidence.

Decision

34. The application for a declaration of invalidity is made under Section 47 of the Act. This reads:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(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) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

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

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that -

- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
- (b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

35. Section 5 of the Act reads:

“5.- (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if because -

- (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- (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.”

36. The term “earlier trade mark” is defined in section 6 of the Act as follows:

“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,”

37. The applicant’s registration is an earlier trade mark within the definition of Section 6 of the Act.

38. In determining the question under Section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel 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] F.S.R 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors: *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question: *Sabel BV v Puma AG*, paragraph 23, 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 he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B. V.* paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: *Sabel BV v Puma AG*, paragraph 23;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*, paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki v Metro-Goldwyn-Mayer Inc*, paragraph 17;
- (f) 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 BV v Puma Ag*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*, paragraph 26;
- (h) further, 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; *Marca Mode CV v Adidas AG*, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, paragraph 29.

39. In essence the test under Section 5(2) 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 different elements and taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed.

40. Much is made in the evidence as to the nature of the goods supplied by each party

under their respective trade marks. Whatever use may have been made of them, I have to consider notional and fair use of the respective trade marks for the specification of goods as registered. It is clear from a simple comparison of the respective specifications that identical goods are involved and I need say no more about that. I go on to consider the respective marks.

41. The applicant's mark is made up of four letters presented in plain block capitals. The registered proprietor's mark is made up of the same four letters also presented in plain block capitals. Whilst the first two letters in each of the respective marks are the same as each other and in the same order, the remaining two letters are the same as each other but reversed. Visually, the two marks are closely similar.

42. Aurally, similar considerations apply. Both marks begin with identical sounds but end differently. Whilst the word which is the applicant's mark consists of one syllable, the registered proprietor's consists of two. The common initial syllable of the marks is elongated in speech and it is well established that the beginning of marks are of particular importance (*Tripcastroid* 42 RPC 264). Aurally, the two marks are closely similar.

43. The applicant's mark is a common dictionary word which, although having a number of different meanings, is in everyday use and readily understood by English speakers. The registered proprietor's mark is also a dictionary word, though perhaps somewhat less commonly used or understood, and has its own distinct meaning. Conceptually the marks have no similarity.

44. In my considerations, I must also take into account the relevant consumer for the goods. It seems to me that the relevant consumer would be those who tend the land and wish to eliminate, control or limit environmental or other damage or contamination to that which is grown or otherwise produced on that land. This would include gardeners, horticulturalists, farmers, and other professional growers or cultivators. This is not a "bag of sweets" case, and it seems to me that given the stringent regulations which increasingly apply to the supply, storage, use and control of such goods as well as the inherent nature of them, they are likely to be bought with a great deal of care.

45. I bear in mind the average customer does not normally analyse the detail of a trade mark and rarely has the chance to make a direct comparison but must rely instead on the imperfect picture he has kept in his mind. It seems to me that whilst there are some differences between the respective trade marks, the similarities between them outweigh those differences. Identical goods are involved. I consider there to be a likelihood of confusion and the application for a declaration of invalidity under section 5(2)(b) therefore succeeds.

46. As a result of my decision and, in accordance with Section 47(6), the registration will be deemed never to have been made.

Costs

47. The application for a declaration of invalidity having succeeded, the applicant is entitled to an award of costs in its favour. I order the registered proprietor to pay the applicant the sum of £1450 as a contribution toward its costs. 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 7th day of December 2005

**ANN CORBETT
For The Registrar
The Comptroller-General**