

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2102836 IN THE NAME OF
UNIVERSAL PRODUCTS (LYTHAM) MANUFACTURING LIMITED**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 46317 IN THE NAME OF
BIOGLAN LABORATORIES LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF application No 2102836 in the name of
Universal Products (Lytham) Manufacturing Limited**

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and

**IN THE MATTER OF opposition thereto under No 46317
in the name of Bioglan Laboratories Limited**

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Background

On 15 June 1996, Universal Products (Lytham) Manufacturing Limited, of Fairfield, Bradshaw Lane, Greenhaigh, Kirkham, Preston, Lancashire, R3 3JA, applied to register the trade mark DERMACEUTICAL in Classes 3 and 5 in respect of the following goods:

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Class 3

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Toiletries; non-medicinal preparations for the hair and for the care and treatment of the skin; non-medicinal preparations for the cleaning, care and grooming of the hair; hair lotions; all included in Class 3.

Class 5

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Pharmaceutical preparations and products; medicinal preparations for the care of the skin and hair; all included in Class 5

On 28 January 1997, Bioglan Laboratories Limited filed notice of opposition to this application. The grounds of opposition are in summary:-

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1. **Under Section 1 & 3** The opponents assert that the term DERMACEUTICAL is a term used in the pharmaceutical industry to describe a product that falls somewhere between a cosmetic and a pharmaceutical product. Accordingly the opponents contend that the Mark applied for is a sign which does not satisfy the requirements of Section 1 and 3 of the 1994 Trade Marks Act.
2. **Under Section 3(1)(a)&(b)** Because the mark applied for is devoid of any distinctive character as a whole.
3. **Under Section 3(1)(c)** Because the mark applied for consists exclusively of signs or indications which may serve in the trade to designate the kind, quality or other characteristics of the goods specified.

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4. **Under Section 3(1)(d)** Because the mark applied for consists exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade.

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5. **Under Section 3(3)(b)** Because the mark applied for is of such a nature as to deceive the public.

6 **Under Section 3(6)** Because the applicant is aware that the name DERMACEUTICAL is in common use in the United Kingdom as a legitimate generic term to describe a product that falls somewhere between a cosmetic and a pharmaceutical product, and accordingly the application was made in bad faith.

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The opponents say that prior to filing the opposition they had drawn the applicant's attention to their objections.

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The applicants for registration accept that the opponents had contacted them but had not provided any evidence to support the allegations made. They deny all the grounds of opposition and ask that the application be allowed to proceed. Both sides ask for an award of costs in their favour.

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Both sides filed evidence in these proceedings. The matter came to be heard on 16 July 1999, when the applicants were represented by Ms Denise McFarland of Counsel, instructed by Potts, Kerr & Co, their trade mark attorneys, the opponents were represented by Mr Michael Edenborough of Counsel, instructed by Venner Shipley, their trade mark attorneys.

Opponents' evidence

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This consists of a Statutory Declaration dated 24 July 1997, executed by Terence Ian Sadler, Chairman and Managing Director of Bioglan Laboratories Limited, the opponents in these proceedings. Mr Sadler says that he has been associated with the opponents' company for many years and that the information set out in his Declaration has been obtained from their records and from his own personal knowledge.

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Mr Sadler begins by saying that his company is engaged in the research, manufacture and merchandising of pharmaceuticals and have been operating in the pharmaceutical industry for over 60 years. He goes on to refer to the sequence of events following his company becoming aware of the publication of the application now the subject of these proceedings in the Trade Marks Journal, and to exhibit TIS1 which consists of a letter dated 2 December 1996 from Venner, Shipley & Co (the opponents' trade mark attorneys) to the applicants informing them of their clients' objections to the application. Mr Sadler next refers to exhibit TIS2 which consists of the reply sent by Potts, Kerr & Co (the applicants' trade mark attorneys) confirming, in the absence of evidence to support the objections, their clients' intention to proceed with the application.

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Mr Sadler goes on to say that the mark DERMACEUTICAL is a combination of two meaningful abbreviations; DERMA which is a combining form commonly used in the trade to designate

products intended for use on the skin, and CEUTICAL being an abbreviation meaningful of PHARMACEUTICAL, and as a whole the mark is devoid of any distinctive character for the goods concerned and contrary to Section 3(1)(b) of the Act.

5 He goes on to say that the mark is contrary to Section 3(1)(c) since it consists exclusively of signs or indications which may serve in the trade to designate the kind, quality and intended purpose of the goods, saying that the combined effect of the two abbreviations describes preparations for use on the skin which have medicinal qualities, and if the product were not to be used on the skin then the use of the mark would be deceptive and potentially dangerous, and accordingly, contrary to Section 3(3)(b).

10 Mr Sadler next says that the mark DERMACEUTICAL consists exclusively of signs or indicators which have been customary in the current language or in the bona fide and established practices of the trade, and consequently is contrary to Section 3(1)(d). He refers to exhibit TIS3 which consists of pages from various sites on the Internet showing use of the word DERMACEUTICAL. Part of the exhibit consists of pages from an Internet shopping site for a company trading in beauty products and includes a reference to "DERMACEUTICAL" and BIO-DERMACEUTICAL. The pages are undated and appear to originate from a German site referred to as the "Deutscher Index", and where products are offered for sale the prices quoted are in US\$. Consequently, this part of the exhibit can be given little, if any weight

15 The remaining part of the exhibit originates from the Internet sites of two United States companies, BETA DERMACEUTICALS, INC. who trade in skin care products, and HILL DERMACEUTICALS, INC. who sell a treatment called DERMA-SMOOTH/FS TOPICAL OIL for scalp psoriasis. The only use of DERMACEUTICALS is as part of their corporate names with there being no use of the term to describe a particular product, and apart from a reference to "you are visitor number since June 11 1996", (four days prior to the relevant date) the pages are undated. Consequently, this part of the exhibit can be given little, if any weight.

20 Mr Sadler concludes by requesting that the application be refused to protect the legitimate activities of members of the trade.

Applicants' evidence

25 This consists of a Statutory Declaration dated 22 January 1998, executed by Michael P Peters, Managing Director of Universal Products (Lytham) Manufacturing Limited, a position he has held for 15 years.

30 Mr Peters begins by refuting the claim by the opponents that the mark DERMACEUTICAL is devoid of any distinctive character for the goods concerned. He says that the mark is not a combination of two meaningful abbreviations since CEUTICAL is not, as far as he is aware, an abbreviation for PHARMACEUTICAL. In support of this he refers to exhibit MP1 which consists of an extract from Webster's New International Dictionary noting that there is no entry for CEUTICAL, and that PHAR is an accepted abbreviation meaningful of PHARMACEUTICAL.

45 He continues saying that he did not concur with the opponents' submission that

DERMACEUTICAL is directly descriptive of preparations for use on the skin which may have medicinal qualities, or that use of the term in relation to the goods covered by the application would deceive the public. Mr Peters concludes saying that as far as he is aware, DERMACEUTICAL is not a generic term used by the trade in the United Kingdom to describe the goods covered by the application, or that this is established by exhibit TIS3 to the Declaration filed by Terence Ian Sadler as part of the opponents evidence.

Opponents' evidence in reply

This consists of a Statutory Declaration dated 8 April 1998 by Terence Ian Saddler, who is the same person that executed the Declaration dated 24 July 1997 referred to earlier in this decision.

Mr Sadler begins by referring to the Declaration executed by Michael Peters and forming the applicants' evidence in these proceedings. He reiterates his view that DERMACEUTICAL has come to be regarded alongside COSMECEUTICAL and NEURACEUTICAL as a meaningful term within the pharmaceutical and cosmetics industries and by dermatologists, in the field of biotechnological research and skin care. He says that the use shown in exhibits TIS3 and TIS4 to his earlier Declaration support the assertion that the mark is generic.

Mr Sadler goes on to say that the widespread usage of DERMACEUTICAL evidenced in his declaration and his own personal knowledge and experience leads him to the view that the applicants cannot fail to have been aware of the use being made and that the application was filed in bad faith to secure a monopoly and preclude competitors from the use of a term to which they have legitimate and unrestricted access. He concludes by requesting that in the interests of the public, public health and safety, biotechnological research and the pharmaceutical and cosmetics fields the application should be refused.

That concludes my review of the evidence insofar as it is relevant.

Decision

I will turn first to consider the objection founded under Section 3(1), which by the construction of that section will encompass and determine the ground under 1(1) the Act. Section 3(1) reads as follows:

3.(1) The following shall not be registered -

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have

become customary in the current language or in the bona fide and established practices of the trade:

5 Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), © or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

Section 1(1) in turn reads:

10 **1-(1)** In this Act “trade mark” means any sign capable of being represented graphically which is capable of distinguishing the goods or services of one undertaking from those of other undertakings.

15 A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.

20 There is no suggestion that the mark is not represented graphically so the objection relates to the inherent capacity of the mark to distinguish the applicants' goods. The question is whether the term DERMACEUTICAL can perform the function of a trade mark and in this respect have regard to Canon Kabushiki Kaisha v Metro-Goldwyn -Mayer Inc (1999) FSR 332 in which it was said:

25 “...according to the settled case-law of the court, the essential function of the trade mark is to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all goods bearing it have originated under the control of a single undertaking which is responsible for their quality.”

30 I begin by looking at how the law stands. In the British Sugar Plc v James Robertson & Sons Ltd (TREAT) trade mark case, (1996) RPC 9, Mr Justice Jacob said:

35 “...I begin by considering the “not a trade mark” point. Section 1(1) has two parts, *sign*, and *capable of distinguishing*. *Sign* is not an issue: a word is plainly included within the meaning of *sign* as the remainder of Section 1 indicates. But what about *capable of distinguishing*? Does this add any requirement beyond that found in section 3(1)? Section 3(1)(b) bars the registration of a mark which is *devoid of any distinctive character* unless it has *in fact acquired a distinctive character*. I cannot see that the closing words of the first sentence of section 1(1) add anything to this. If a mark on its face is non-distinctive (an ordinary descriptive and laudatory words fall into this class) but is shown to have a distinctive character in fact then it must be *capable of distinguishing*. Under section 10 of the old Act, for a mark to be registerable in Part B, it also had to be *capable of distinguishing*. But the Pickwickian position was that some marks, even though 100% distinctive in fact, were not regarded as *capable of distinguishing* within the meaning of that provision. I do not think the Directive and the 1994 Act takes a more limited meaning over.

Thus, *capable of distinguishing* means whether the mark can in fact do the job of distinguishing. So the phrase in Section 1(1) adds nothing to section 3(1) at least in relation to any sign within sections 3(1)(b)-(d). The scheme is that if a man tenders for registration a sign of this sort without any evidence of distinctiveness then he cannot have it registered unless he can prove it has a distinctive character. That is all. There is no pre-set bar saying no matter how well it is proved that a mark has become a trade mark, it cannot be registered. That is not to say that there are some signs which cannot in practice be registered. But the reason is simply that the applicant will be unable to prove the mark has become a trade mark in practice - "Soap" for "Soap" is an example. The bar (no pun intended) will be factual not legal.

The opponents contend that the term DERMACEUTICAL has become customary in the current language or in the bona fide and established practices of the trade in relation to the goods for which registration is sought, and consequently offends against sub-section (d) of Section 3. To establish this objection in inter-parte proceedings requires evidence to establish that the term is in use, although not necessarily showing the mark being used in the course of trade. The opponents also say that DERMACEUTICAL is a sign or indication which may serve in the trade to designate the kind, quality or other characteristics of the goods specified, and in conflict with sub-section © of that Section. The wording of sub-section © imposes a less stringent test than under sub-section (d) going to whether the mark is sufficiently descriptive of a characteristic of the goods/services for there to be a reasonable likelihood that it will be used by other traders. This is a question which in this case can be determined by a consideration of the inherent qualities of the mark itself and without recourse to evidence showing that the mark is actually in use.

The opponents say that DERMACEUTICAL is an amalgamation of two meaningful elements; DERMA being an abbreviation or combining form commonly used in the trade to designate products intended for use on the skin, and CEUTICAL which is an abbreviation meaningful of PHARMACEUTICAL. The applicants in turn deny that CEUTICAL is an abbreviation meaningful of PHARMACEUTICAL, pointing to the fact that the term does not appear in a dictionary. In The Eastman Photographic Materials Company Ltd's application 15 RPC 476 (the Solio case) Lord Herschel said:

"If the word be an "invented" one, I do not think the quantum of invention is at all material. An invented word is allowed to be registered as a trade mark, not as a reward of merit, but because its registration deprives no member of the community of the rights which he possesses to use the existing vocabulary as he pleases."

In the Phillips Electronics NV v Remington Consumer Products Limited trade mark case, (1998) RPC 283, Jacob J stated:

'Now it is of course the case that a mark (particularly a word mark) may be both distinctive of a particular manufacturer and yet also convey something by way of meaning of the goods....But you can take this argument too far. There are words which are so descriptive that they cannot be trade marks - "soap" for "soap". The difference is one of degree, but important nonetheless. There are degrees of descriptiveness ranging from skilful but covert allusion to the common word for the goods. On the scale of distinctiveness you come to a point when a word is so descriptive that it is incapable of

distinguishing properly, even if it does so partially. If that the position then it is “incapable of distinguishing” within the meaning of Article 2 of the Directive. And likewise the mark is then devoid of distinct character...’

5 Given the nature of the goods for which registration is sought it is not difficult (at least for a person used to considering the construction and derivation of trade marks) to work out that DERMACEUTICAL is an amalgamation of part of the two ordinary English words **DERMATOLOGICAL**, and **PHARMACEUTICAL**. The applicants have not commented on the opponent's claim that DERMA is an abbreviation or combining form although they have
10 challenged the meaning ascribed to CEUTICAL. There is no evidence to substantiate that either DERMA or CEUTICAL have any meaning other than as part of the words as shown above, and I come to the conclusion that if there is a valid objection against the capacity of DERMACEUTICAL to function as a trade mark, it can only be because it is a term commonly used in the trade

15 The opponents' evidence consists of exhibits showing use of the term DERMACEUTICAL obtained from the Internet web sites of companies based in the United States and Germany. These have been obtained from the sites of commercial organisations offering products for sale Mr Edenborough submitted that the web site pages show that these companies use the term
20 DERMACEUTICAL to describe a class of goods they are offering for sale. Ms McFarland considered that some of the use shown could arguably be taken as trade mark use. I consider both submissions to have some substance.

25 The Internet is an ever increasing and important repository of information and is far more responsive to trends and changes than printed matter. Being a “global” system it is not constrained by national boundaries and has streamlined the process by which information becomes available and by which terminology passes into common usage. However, while the Internet can be an invaluable source of up to date information, evidence obtained from the Internet is subject to the
30 same scrutiny and criticism as evidence provided from other sources.

In proceedings where information from the Internet is being used to support an allegation that a term may, or has become part of the current language of the trade, it must establish that the mark is used to describe the goods or services for which it is sought to be registered, and that this was the position at the date of application to register the term as a trade mark. In these proceedings
35 much of the evidence is either undated or post dates the application date, and while it contains examples showing the term being used to describe goods covered by the application, some examples could arguably be taken as trade mark use. For example, the extract from Janssen Cosmeceutical Care (part of TIS3) sets out products for sale under various headings, some of which, eg, “Skin whitening and fading treatments” are clearly descriptive, whereas “Perfect Blend camouflage system”, “Revigora body and bust care” and DERMACEUTICAL avantgarde in skin
40 care” appear to be more akin to trade mark use.

It is well established that the question of whether a mark is capable of distinguishing means capable in the United Kingdom (see Ford-Werkes AG's application (1955) RPC 10 and Automotive Network Exchange's application (1998) RPC 25). Accordingly, the evidence should
45 be from United Kingdom Internet web sites. However, evidence obtained from web sites in other English speaking countries can be of use, although will at most indicate that a mark may be

generic in the United Kingdom and support an objection under Section 3(1)(c). I do not consider that it is necessary to show that a non UK site has been accessed from the UK (although this could be persuasive), but the use will need to be sufficiently widespread to indicate that there is a reasonable likelihood that the term may have transferred and would be recognised in the United Kingdom. Mr Edenborough referred to the Jeryl Lynn trade mark case (1999) FSR 7 in which the registered trade mark was found to be generic and declared invalid although in that case there was a considerable amount of convincing evidence from United Kingdom sources. In these proceedings all of the evidence originates from outside of the United Kingdom.

The nature of the relevant goods or services and services can be a factor to be taken into account. For example, the airline industry is global with companies often providing the same products and services under the same trade mark in many different countries, and consequently, it is more likely that a term will transfer from one market to another than in an industry such as rail transportation services which tend to be provided within regional or national boundaries.

Given the size of the cosmetics/pharmaceutical industry the number of instances of descriptive use shown in the evidence is very limited. There are two examples from the United States showing use of the term DERMACEUTICALS although as part of a corporate name rather than as a description of a class of goods. One example is undated although records 193 visitors to the site, the other states that "you are visitor number since June 1996" without giving a figure for the number of visitors. The examples of use from Germany shows the term DERMACEUTICAL being used to describe skin care products although arguably also as a trade mark but are both undated. In my view these exhibits fall short of establishing that the term is generic in the United States or Germany, let alone that it may be in the United Kingdom.

Taking the best view that I can, I find that the evidence is not sufficient to establish that, at the date of application and within the United Kingdom, the term DERMACEUTICAL may have served in the trade to designate a characteristic of the relevant goods or that it was a generic term used to describe a class of goods. In the absence of such evidence, I conclude that the mark is capable of distinguishing the applicants' goods and that the opposition under Section 1(1) and Section 3(1)(a)(b)(c) and (d) fails.

Turning to the remaining objections under Section 3(3)(b) and Section 3(6) of the Act. In my view the opponents case under Section 3(3)(b) stands or falls on their being able to establish that DERMA or DERMACEUTICAL is a descriptive of a particular type of goods, or a characteristic of goods, for if it is not then it seems to me that the mark will not give rise to any expectations and will not deceive the public. There is no evidence to substantiate that DERMA is a recognised abbreviation or combining form which would indicate a connection with the skin, and as I have already found that the opponents have not established that the term DERMACEUTICAL is a description of a class of goods, it follows that the objection under Section 3(3)(b) fails accordingly.

This leaves the matter of the objection under Section 3(6). The opponents say that the applicants were aware that the term DERMACEUTICAL is in common use in the United Kingdom to describe a particular class of product, and that they have nonetheless tried to appropriate it for themselves. They point to the use of DERMACEUTICAL shown in the evidence stating that by virtue of such extensive use the applicants cannot fail to have been aware of the relevance of the

term. An objection that an application was made in bad faith implies some deliberate action by the applicants which they know to be wrong. It is a serious objection which places a heavy burden of proof upon the party making the allegation. I find the evidence, such as it is, goes nowhere near to establishing a case of bad faith and the objection under Section 3(6) fails also.

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The opposition having failed on all grounds I order that the opponents pay the applicants the sum of £635 as a contribution towards their costs.

Dated this 8 day of October 1999

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**Mike Foley
for the Registrar
The Comptroller General**