

O-359-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2291900
BY CONSTANCE CARROLL COSMETICS PLC
TO REGISTER THE TRADE MARK LIPSICLES IN CLASS 3**

AND

**IN THE MATTER OF OPPOSITION No. 90733
BY NOVARTIS AG**

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to register the Trade Mark LIPSICLES in Class 3**

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**IN THE MATTER OF Opposition No. 90733
by Novartis AG**

Background

1. On 5 February 2002 Constance Carroll Cosmetics Plc applied to register the mark LIPSICLES for a specification of goods in Class 3 that, after amendment, reads “lipstick, lip gloss, lip liner”. The application is numbered 2291900.
2. On 20 June 2002 Novartis AG filed notice of opposition to this application. They are the proprietors of the registrations, details of which are shown in the Annex to this decision. They say they have used the trade mark LYPSYL in the UK for over 11 years in relation to cosmetic and therapeutic lip products and have a reputation therein.
3. They go on to say that they consider the respective goods to be identical and/or similar and the marks to be similar such that there exists a likelihood of confusion. Objection is taken under Section 5(2)(b) of the Act. Further or alternative grounds are raised under Section 5(3) and 5(4)(a).
4. The applicants filed a counterstatement denying the above grounds.
5. Both sides ask for an award of costs in their favour. I note also that the applicants ask for an award of compensatory costs in view of the prejudice that has occurred from the unnecessary delay in processing the original notice of opposition.
6. Only the opponents filed evidence. The matter came to be heard on 28 October 2003 when the applicants were represented by Mr B Marsh of Wilson Gunn M’Caw and the opponents by Mr A Roughton of Counsel instructed by Gill Jennings & Every.

Opponents’ evidence

7. The opponents filed a witness statement by Kristina Meier and Susanne Ruf who describe themselves as authorised signatories of Novartis AG. They say that the facts in their (joint) witness statement come from their personal knowledge or from records provided to them by the opponents. They do not say what their positions are or precisely which pieces of information are

within their individual knowledge. Nor do they identify the records that have been made available and the origin of the particular facts and information supplied.

8. They say that the opponents have been using the trade mark LYPSYL since 1983 in respect of their lip cosmetics, lip balm and lip care preparations. Their predecessor in title, Elida Gibbs, is said to have used the mark for a lip moisturiser for many decades prior to that date.

9. Turnover figures are given in tables contained in Exhibit No. 1 to the witness statement. Extrapolating from the information contained therein, the turnover figures are as follows:

£			
1984	649,290	1994	2,310,287
1985	787,042	1995	3,004,210
1986	794,889	1996	3,019,327
1987	914,336	1997	3,092,298
1988	1,183,643	1998	3,849,122
1989	1,309,134	1999	3,999,879
1990	1,474,732	2000	3,274,398
1991	1,660,911	2001	3,693,278
1992	1,915,046		
1993	2,310,592		

10. Annual expenditure on advertising and promotion is given for recent years only. Given the material date in these proceedings the only figure that I can confidently say is relevant is that for 2001 which is £331,000. The products are said to be promoted and sold throughout the UK including through the medium of radio, television spots and magazine advertisements. Examples of the products are shown at Exhibit No. 2. The contents show LYPSYL being used on (mainly) lip balms but also on a cold sore treatment in gel form, and a sun block/all weather lip protector. The products have both cosmetic as well as medicinal or curative properties.

11. Examples of advertising and promotional material are shown in Exhibit No. 3. A substantial part of the Exhibit consists of copies of 'Public relations status reports' for periods after or only just preceding the material date and so are of little assistance. I note that the earliest of these items covers the period December 2001 – January 2002 and that Yoyo (which I take to be a public relations firm) began the PR activity in January 2002 with a 'teaser' campaign. There are other individual advertisements/promotional pieces that have been dated and are relevant to my considerations. The remainder of the witness statement consists mainly of submissions.

12. That completes my review of the evidence.

13. The specification that I have recorded at the start of the decision is that resulting from the filing of a form TM21 on 26 November 2002. The specification had previously been cast in considerably wider terms. Mr Roughton confirmed that on the basis of the reduced specification the ground based on Section 5(3) of the Act was no longer being pursued.

14. The principal remaining ground is that under Section 5(2) of the Act which reads as follows:

“5.-(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.”

Sub paragraph (b) applies here.

15. I take into account the well established 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] E.T.M.R. 1, and *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77.

16. The registrations relied on by the opponents are all earlier trade marks within the meaning of Section 6(1)(a) of the Act. In principle I must compare each of the marks and associated goods with the mark and goods applied for. However, for practical purposes it will be convenient to base my consideration on No 1516909 for the mark LYPSYL solus. The specification of this registration itemises a number of lip care items (“lip care preparations, lip care substances, lip balm and lip care gel”) which amply demonstrate that identical and closely similar goods are involved. I reach this view on the basis that lip care preparations and substances are broadly based terms. If there is any doubt as to whether such goods are identical to the applicants’ goods it can only be on the basis that lipstick, lip gloss and lip liner may strictly be for the beautification or adornment of the lips rather than for the caring of lips. As this is not a case based on Section 5(1) or 5(2)(a) I do not find it necessary to resolve any such subtleties of the respective specifications. The respective goods must be very closely similar applying the well known *CANON* test and in any case the opponents’ registration covers cosmetics at large which must include the applicants’ goods.

Distinctive Character of the Respective Marks

17. The distinctive character of the respective marks is a factor that must be taken into account (*Sabel v Puma*, paragraph 23). Furthermore 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).

18. Both marks may be said to allude to lips to a greater or lesser extent. This is plainly so in the case of the applied for mark. The ‘misspelling’ in LYPSYL may serve to partially conceal or obscure the reference to lips in the opponents’ mark. However, marks must be viewed in the context of the goods to which they are applied (in the opponents’ case lip balms etc).

Furthermore the opponents' own advertising emphasizes the connection ('Lypsyl lubricates lips', 'You won't get far in life with a stiff upper lip' 'Lypsyl with a kiss' etc, Exhibit 3). The fact that an element of a mark may allude to the goods or a characteristic of the goods does not in itself answer the question as to distinctive character. That can only be assessed by reference to the mark as a whole taking account of the effect of any use of the mark. On that basis I regard both marks as having a high degree of distinctive character albeit that an element within each of the marks may be allusive to a greater or lesser extent. Both appear to me to be invented or fancy words.

19. The opponents make a case for an enhanced degree of distinctive character based on their lengthy use. In *DUNONEBS Trade Mark* BL O/048/01 Mr S Thorley QC, sitting as the Appointed Person, in dealing with the question of the reputation attaching to a mark said:

"In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark."

20. There are some indications here that the opponents' LYPSYL product has achieved a measure of reputation in relation to lip care preparations. Not only has there been a long period of use but that use has been at a sizeable level particularly bearing in mind the relatively low unit cost of each item (approximately £2) The raw data (details are recorded in my evidence summary), is supported by material in Exhibit 3 such as the Bliss Beauty Awards 'most wanted products' shortlist and Top Santé Health and Beauty 'tried and tested' products list, both of which include LYPSYL. The collective force of the evidence suggests to me that LYPSYL may be one of the market leaders in the lip balm/moisturizer field though precise information on market share or consumer recognition has not been provided. I am left in some doubt as to whether LYPSYL passes the household name test referred to in *DUNONEBS* though I think it likely that there is a high degree of consumer recognition. The point is not critical in my view given that the mark benefits from strong inherent characteristics.

Comparison of Marks

21. The visual, aural and conceptual similarities of the marks are to 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). Mr Roughton, for the opponents, submitted that both marks were of similar length with a prominent median "ps"; that accordingly there was a visual similarity; that there was aural similarity with 'y' and 'i' producing similar sounds; and conceptually both allude to the notion of lips.

22. He also referred me to *London Lubricants(1920) Limited Application* [1925] 42 RPC 64 (*Tripcastroid*) in support of the proposition that users of the marks will have more regard to and put more emphasis on the initial syllable. Furthermore he submitted that "there is also an etiological association in that the root "sicles" tends to imply either a diminutive or individual connection such as an icicle or popsicle – ice and pop".

23. Mr Marsh, for the applicants, submitted that visually LIP and LYP would be clearly differentiated with the former suggesting lips but the latter being purely an invented string of three letters; that the suffixes were also visually distinguishable; that the pronunciations were unambiguous and different; that –SICLES was a hard suffix compared to the soft –SYL; that conceptually both marks are invented words but the LIP suffix of the applied for mark carried a meaning which was not present in the first element of LYPSYL; and finally that LIPSICLES contains a play on ICICLE and suggests a frosted appearance or cooling effect on the lips.

24. I turn now to my own view of the marks, LIPSICLES and LYPSYL. The words are made up of 9 and 6 letters respectively. I have already indicated that I think the reference to lips is likely to be apparent to consumers in the case of the applied for mark. That is less obviously so in the case of the mark LYPSYL but given the nature of the goods the allusion is unlikely to be lost on consumers completely. That being so they are also likely to be struck by the unusual use of the letter Y in LYP- and the repeated use of that letter in the same position in the second element of the word LYPSYL. The combined effect of these factors taken in the context of the marks as wholes seems to me to make for no more than a slight degree of visual similarity. I am not surprised that comparison should have been made at the hearing with another –icle ending word such as ‘icicle’. It is not a particularly common ending and creates a degree of visual (and particularly phonetic) impact in its own right.

25. The opponents’ case based on phonetic considerations is somewhat stronger because the difference between the ‘i’ and ‘y’ sounds will not, in my view, be apparent. I reach that view because I consider the most likely pronunciation of LYPSYL will be with short vowel sounds (as in LIP-SIL). A ‘y’ may, of course, be pronounced with a long vowel sound (as in ‘type’) but such an approach to articulation of the word is in my view unlikely. Further I note that Mr Marsh’s skeleton argument for the applicants (realistically) adopted what I consider to be the most natural pronunciation (i.e. with short ‘i’ sounds). On that basis LIPSICLES has a degree of similarity with the opponents’ mark when spoken. But I do not accept that application of the *TRIPCASTROID* principles necessarily means that the ending of the word is likely to be slurred to an appreciable extent or that the three syllables of LIPSICLES will be compressed into two.

26. Mr Roughton suggested that I should make due allowance for possible alternative ways of pronouncing the marks. Where invented words are concerned there may indeed be some uncertainty as to pronunciation. I am not persuaded that this is so here. If there is scope for alternative pronunciations it is more likely to be in relation to LYPSYL and in a way that would put further distance between the marks.

27. The parties differ in their approach to conceptual considerations. Both appear to accept that LIPSICLES alludes to lips. Mr Roughton suggested that that points to similarity with his clients’ mark whereas Mr Marsh says that any allusion to lips in LYPSYL is lost and, therefore there is no conceptual similarity. For the reasons I have already given I do not think the allusion to lips in both marks would be lost on consumers when the marks are used in relation to lip care preparations or products for application to the lips. I differ somewhat from Mr Roughton when it comes to the consequences of such a state of affairs. If the first part of the marks refers to a characteristic of the goods then consumers are less likely to regard it as a distinctive element in

its own right and will accordingly pay greater heed to other elements and/or the totality of the marks. Conceptual considerations, therefore, either work against the opponents or are at best neutral.

Likelihood of Confusion

28. This is a matter of global appreciation (*Sabel v Puma*, paragraph 22) The *Canon* case also set out the principle of interdependency such 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). But before weighing up the relevant considerations here I should comment briefly on the average consumer. There is some evidence in the public relations status report documents in Exhibit 3 to suggest that the opponents are attempting to reposition their product so as to target the teenage fashion market. My impression (based on the advertisements provided) is that lip balm etc has previously been seen as either a functional item or a cosmetic product with some quasi-medicinal properties as a cold sore treatment. I note that a number of the advertisements are in female fashion magazines but the market may not be restricted to women. The applicants' goods are more clearly cosmetic items. They would, I think, share the same market as the opponents' goods to an appreciable extent. The products are not expensive but there is no reason to suppose that the averagely attentive and observant customer will not pay a reasonable degree of attention to their purchase.

29. With the above in mind the main considerations seem to me to be that identical or closely similar goods are involved; that the average consumer for such goods can be expected to exercise some, but not the highest degree of, care when purchasing such items; that the earlier trade mark has a high degree of distinctive character and the marks share some points of similarity but are not distinctively similar when the allusive/descriptive character of their first syllables is taken into account. There is a further important point that I must take into account. It was said in *Sabel v Puma* that the average consumer usually perceives a mark as a whole and does not pause to analyse its various details (*Sabel v Puma*, paragraph 23). Furthermore, the average consumer 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 (*Lloyd Schuhfabrik v Klijsen Handel*, paragraph 27). Imperfect recollection is likely to be of particular importance where invented words are concerned as the consumer does not have the different meanings of the words in mind to help distinguish between them. That has caused me to hesitate over the outcome of this case but I have come to the conclusion that the overall visual and phonetic impressions left by the marks are sufficiently different that there is no likelihood of confusion. Nor is there any likelihood of an association being made between them such that the public might be wrongly led to believe that goods sold under the respective marks emanate from the same or economically linked undertakings.

30. It has not been put to me that the opponents could succeed on the basis of LYPSYL KISSABLES/KYSSABLES if they were to fail on the basis of LYPSYL solus. For the record I confirm that I do not consider they would be in any better position in this respect. The opposition fails under Section 5(2)(b).

31. There is a further ground under Section 5(4)(a) but it was conceded at the hearing that in the circumstances of this case the fate of this ground was likely to be intimately linked to that under Section 5(2) (the opponents' use having been of the mark in the form registered and within the specification of goods of the Class 3 registrations). I see no need to give separate consideration to this ground.

32. The applicants have been successful and are entitled to a contribution towards their costs. In his skeleton argument Mr Marsh said:

“As concerns costs, and regardless of the outcome of the hearing, we would request that particular consideration is given in this instance to the unusual manner in which the opposition proceedings were processed by the Registry, and the unnecessary further inconvenience and expenses which the applicants were put to as a consequence of this.”

33. This was a reference to a delay which occurred at the commencement of the proceedings (June 2002) following the Registry's Law Section's initial scrutiny of the pleadings. It appears that no response was received to the Registry's letter to the opponents' (the n) agents. Furthermore no action was taken to amend or strike out grounds. It was not until February 2003 that an amended statement of case was filed by which time the applicants had themselves amended their specification of goods (effectively disposing of the points raised by the Registry in relation to the Section 5(3) ground).

34. There may be some force to the applicants' claim that matters could have been progressed rather more expeditiously than in fact happened. However, it is by no means clear whether or to what extent the opponents or their previous professional representatives (who were not present at the hearing) were responsible for any delay.

35. Section 68(1) and Rule 60 of the Trade Marks Rules 2000 allow the Registrar to “award to any party such costs as she may consider reasonable, and direct how and by what parties they are to be paid” (my emphasis). In the absence of a more specific case against the opponents I do not consider it appropriate to make any additional award over and above what is necessary to reflect the applicants' success in the case. Furthermore, the Act and Rules only allow me to order costs for or against the parties to an action. If the applicants feel that they wish to pursue the matter in terms of the Registry's actions then that will need to be dealt with outside the scope of these proceedings.

36. I order the opponents to pay the applicants the sum of **£1400**. 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 18th day of November 2003

M REYNOLDS
For the Registrar
the Comptroller General

ANNEX

Details of opponents' earlier trade marks:

No.	Mark	Class	Specification
1210535	LYPSYL	03	Cosmetic and non-medicated toilet preparations.
1516909	LYPSYL	03	Cosmetics, soaps, perfumery, essential oils, hair lotions, skin emollients, lip care preparations, lip care substances, lip balm and lip care gel; all included in Class 3.
154666	"LYPSYL"	05	Pharmaceutical preparations for humans.
2264458	LYPSYL	05	Pharmaceutical preparations.
2277048	LYPSYL KYSSABLES	03	Cosmetics and non-medicated toilet preparations.
		05	Pharmaceutical preparations.
2275128	LYPSYL KISSABLES	03	Cosmetic and non-medicated toilet preparations.
		05	Pharmaceutical preparations.