

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO 2226541
IN THE NAME OF FARMACIA CHEMISTS LIMITED
OF THE TRADE MARKS (A SERIES OF TWO):**



IN CLASSES 3, 5 AND 42

**AND THE APPLICATION FOR A DECLARATION OF INVALIDITY
THERETO UNDER NO 80906
BY PHARMACIA AB
BASED UPON THE EARLIER TRADE MARK:**

PHARMACIA

Trade Marks Act 1994

**In the matter of registration no 2226541
in the name of Farmacia Chemists Limited
of the trade marks (a series of two):**



**in classes 3, 5 and 42
and the application for a declaration of invalidity thereto under no 80906
by Pharmacia AB**

BACKGROUND

1) On 15 July 2002 Pharmacia AB, who I will refer to as Pharmacia, filed an application to have the above trade mark registration declared invalid. The registration is owned by Farmacia Chemists Limited, who I will refer to as Farmacia. The application to register the trade marks was filed on 21 March 2000 and the trade marks were registered on 3 November 2000. Farmacia claims the colours black, white and duck egg blue as an element of both trade marks. The registration is for the following goods and services:

toilet and cosmetic preparations; perfumes, preparations for the hair, aromatherapy preparations, deodorants and air fresheners;

herbal remedies and nutritional products; vitamins and minerals; deodorants;

pharmacy advice; medical clinics and surgeries.

The above goods and services are in classes 3, 5 and 42 respectively of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as amended and modified.

2) Pharmacia is the owner of the following United Kingdom registrations for the trade mark PHARMACIA:

- No 1162185, which is registered for:

chemical products used in industry and science.

- No 1162186, which is registered for:

pharmaceutical, veterinary and sanitary preparations and substances; infants' and invalids' foods; medical and surgical plasters; materials prepared for bandaging; disinfectants (other than for laying or absorbing dust), preparations for killing weeds and destroying vermin.

- No 1184730, which is registered for:

scientific apparatus and instruments; electronic apparatus and instruments all for scientific use; instruments for monitoring and testing, none for in vivo use; calculating, analysing, measuring and weighing instruments; parts and fittings included in Class 9 for all the aforesaid goods.

- No 1560464, which is registered for:

intra-ocular lenses; testing apparatus for detecting allergies; diagnostic apparatus for medical purposes; all included in Class 10.

The above registrations are in classes 1, 5, 9 and 10 respectively of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as amended and modified.

3) Pharmacia states that the respective trade marks are similar and that the goods and services of the registration are identical or similar to the goods of its registrations. Consequently, there is a likelihood of confusion and Farmacia's registration is contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

4) In the alternative, the respective trade marks are similar and Farmacia's registration is for goods and services that are not similar to those of Pharmacia's registrations. By virtue of the reputation in the United Kingdom enjoyed by Pharmacia, use of the registered trade mark at the date of application would have taken unfair advantage of, or be detrimental to, the distinctive character or the repute of Pharmacia's trade marks. Consequently, Farmacia's registration is contrary to section 5(3) of the Act.

5) Pharmacia has used its trade mark PHARMACIA in the United Kingdom in relation to pharmaceutical preparations and associated healthcare, information and advisory services for forty years. By virtue of the reputation and goodwill which Pharmacia enjoys, use of the registration at the time of its application for registration would have been liable to be prevented by the law of passing-off. Consequently, Farmacia's registration is contrary to section 5(4)(a) of the Act.

6) Pharmacia states that at the time of application Farmacia had no bona fide intention of using the trade marks of its registration in classes 3 and 5. The application failed to meet the requirements of section 32(1) of the Act in respect of these goods and thus the application was made in bad faith. The registration, in respect of class 3 and 5, should have been refused under the provisions of section 3(6) of the Act.

7) Farmacia filed a counterstatement in which it denies the grounds for invalidation.

8) After the completion of the evidence rounds both sides were advised that it was believed that a decision could be made without recourse to a hearing. However, the sides were advised that they retained their rights to a hearing. Both sides stated that they did not require a hearing; they have both filed written submissions. In reaching my decision I have taken into account both the evidence before me and the submissions of the two sides.

Evidence of Farmacia

9) This is furnished by Sanjay Bhandari. Mr Bhandari is the managing director and majority shareholder of Farmacia. Farmacia was incorporated on 6 August 1996. On 17 November 1997 Farmacia opened its first retail outlet, at 169 Drury Lane, London. The name of the retail outlet was FARMACIA Chemists Limited. The shop was refurbished on 8 August 1998, from that date the trade mark FARMACIA URBAN HEALING was used. It was often used with a device. Since then three outlets using the trade mark have been opened:

- 9 September 2001 in Selfridges in London.
- 8 April 2002 in Liberty's in London.
- 5 September 2002 in Selfridges in Manchester.

10) When Farmacia first started trading it did not have its own brand health and beauty products. These were introduced subsequently. FARMACIA Herbal Solutions range was introduced in January 1999, FARMACIA Aromatherapy range was introduced in March 1999 and FARMACIA Natural Man range in June 1999. A booklet is exhibited at SB1. This shows the trade mark in a slightly different form to the forms registered. The trade mark is like the upper trade mark except that URBAN HEALING is in lower case. There is no date upon the booklet. However, two branches are listed on the back; Drury Lane and Selfridges in London. Consequently, it would appear that it emanates from between September 2001 and April 2002. The booklet deals with four main areas: complementary/alternative medicine, natural health screening, diagnostic testing and holistic beauty therapies.

11) The range of activities has increased to encompass clinic services, "lifestyle kits", nutritional products, smoothies, tonics and a therapy range.

12) Included in exhibit SB2 is a catalogue dated 2002. This shows use of the trade mark as described above. Various pages at the beginning and the end of the catalogue use the trade mark FARMACIA URBAN HEALING (word only). Included in the catalogue are a range of own brand products, with pictures. Some of these show use of the trade mark without the words URBAN HEALING. However, pictures in the Inner Health section show use of the trade mark as described above for "Be Well", "am/pm", "Baby & Mother", "Hair, Skin & Nails mutti's". "Be Well" is described as being for "immune support", "Baby & Mother" is to provide nutritional support for the eponymous persons,

“Hair, Skin & Nails” is for the growth of healthy hair, skin and nails, “am/pm” is a nutritional support supplying nutrients, vitamins and herbs. Various leaflets are indicative of advice being given.

13) Various press articles are reproduced at SB2. These come from: “Evening Standard” of 13 November 1998, “Red” for March 1999, “marie claire Health & Beauty” for January 2001, “ES magazine” of 17 August 2001, “Vogue” for April 2002, “Now” for 16 October 2002, “The Sunday Times Style” of 26 January 2003 and “Daily Mail” of 8 July 2003. The extracts from “ES” and “Vogue” clearly show Farmacia own brand products. However, it cannot be seen from the pictures if the actual trade marks of the registration have been used. Nevertheless, the reference in the articles is to FARMACIA URBAN HEALING.

14) Mr Bhandari states that there have been no instants of confusion between his business and that of Pharmacia. In August 1998 Farmacia had a turnover of £280,000, in August 2002, £2,400,000. All of the trading has been done under the sign FARMACIA, with or without other matter.

15) Mr Bhandari states that Farmacia has and has always had a bona fide intention to use the trade marks for all the goods and services of the registration. It has always been Farmacia’s intention to expand and widen the range of products and services upon which the trade mark is used.

Evidence of Pharmacia

16) This consists of five witness statements from Jennifer Maddox, Pharmacia’s trade mark attorney. A witness statement from Kay Debra Patton, who is the commercial director of Pharmacia Limited, a wholly owned subsidiary of Pharmacia. A witness statement from Colin Simpson, who is price list controller for the “Chemist & Druggist Price List”. There is a witness statement from Stephen Keith, who is general manager of Probe Investigations Limited. Finally, there is a witness statement from Alan Sinclair Cox, who is the Vice President and Global Head of Trade Marks of GlaxoSmithKline Services Unlimited.

17) Pharmacia is a Swedish pharmaceutical company. It is part of the Pharmacia family of companies which has operated since 1911. The trade mark PHARMACIA has been used in the United Kingdom since 1962 for a range of pharmaceutical products. In 1995 the Pharmacia family of companies merged with the United States corporation Upjohn Company to form the Pharmacia & Upjohn group, which I will refer to as Group. From that time the corporate trade mark PHARMACIA & UPJOHN appeared on all the packaging for its products. On packaging for NICORETTE products, which are designed to help people to overcome the urge to smoke, the Pharmacia and Upjohn logo can be seen. It is on the reverse of the packaging, in the bottom left hand corner. The name and address of Pharmacia & Upjohn Ltd also appears. On the direct packaging around the products eg the blister pack, the words Pharmacia & Upjohn appear.

18) From April 2000 the corporate trade mark was changed to PHARMACIA and since then all packaging has born the PHARMACIA logo. The new style can be seen on packets for NICORETTE. On the bottom corner of the packages PHARMACIA appears, in a very slightly stylised form; in small print, the name and address of Pharmacia Limited can also be seen.

19) Group is the tenth largest pharmaceutical company in the world in terms of turnover. In 1999 its research and development budget was US\$ 1,434 million.

20) The range of Group products consists of ethical drugs, consumer health products and agricultural goods. Ethical drugs are used for the treatment of serious or chronic illnesses when patients may take a particular drug for many years under the close supervision of a general practitioner. These are only available on prescription. Consumer health products are available over the counter (OTC) or are sold under supervision and consist of products such as:

NICORETTE	- a range of smoking cessation products.
REGAINE	- a hair loss re-growth product.
CYKLOKAPRON	- a product to reduce menstrual bleeding.
COLPERMIN	- a treatment for irritable bowel syndrome.

In 1998 and 1999 the approximate annual turnover in the United Kingdom was £181 and £183 million respectively. According to the accounts for the year ended 31 December 1999, "the company operates one class of business, namely the marketing and selling of pharmaceutical products".

21) The United Kingdom sales for NICORETTE, REGAINE, CYKLOKAPRON, COLPERMIN and DETRUSITOL (a product to manage incontinence) were £18.8 million, £3.0 million, £4.3 million, £3.7 million and £22.3 million respectively.

22) Ms Patton gives figures for what she describes as expenditure on promotion of the PHARMACIA trade mark in 1998 and 1999. However, at that time PHARMACIA & UPJOHN was being used as the corporate trade mark. Also this expenditure will include a large amount that was not for the corporate trade mark per se but for other products, such as NICORETTE, where the corporate trade mark appears in very much a subsidiary position. The expenditure was £9.2 million and £10.4 million in 1998 and 1999 respectively. £15.4 million of this expenditure was on NICORETTE.

23) The goods of Group are distributed and sold throughout the United Kingdom in a variety of outlets such as Boots, Superdrug, Unichem, Lloyds and Sainsbury. A significant proportion of the products are sold to purchasing departments in hospitals, clinics and other healthcare institutions.

24) Ms Patton states that during 2000 and 2001 she received repeated reports from members of staff about telephone calls and letters which they had received regarding advertisements in the national press for the FARMACIA medicines. However, she

exhibits none of these letters, nor does she exhibit any statements from the staff who contacted her.

25) An article from "The Guardian" of 4 January 1993 deals with nicotine patches. The article refers to NICORETTE and states that it is produced by Kabi Pharmacia. Ms Patton states that Kabi Pharmacia is a company within the Group. However, this does not affect the fact that in 1993 the product was being associated with Kabi Pharmacia and not Pharmacia on its own.

26) Various literature is exhibited which relates to the treatment of various conditions and shows either PHARMACIA & UPJOHN or PHARMACIA.

27) In his witness statement Mr Cox states that he has practised as a trade mark attorney in the pharmaceutical field for nineteen years. He states that he knows PHARMACIA to be the trade mark of companies which resulted from the merger of Pharmacia AB and Upjohn Company. He states that PHARMACIA has been used in the United Kingdom by Group and its predecessors in title for pharmaceutical preparations and services associated therewith during all the time that he has been practising. He is not aware of any other company or group of companies using the name PHARMACIA in the pharmaceutical field.

28) Mr Keith states that Farmacia's premises in Drury Lane were visited by one of his company's agents. The agent states in her letter, dated 18 February 2002, to Mrs Maddox that she was asked to investigate the company Farmacia Urban Healing and the range of products sold under the name FARMACIA. She found that there was a wide range of homeopathic and natural remedies bearing the brand name FARMACIA. The letter states that the range is extensive and comprises over thirty-five products. The letter ends with the following summary:

- “3.1 Inquiries have confirmed that the true trading details of the Subject Company are **Farmacia Chemists Limited** and that they have been trading the retail dispensing chemist operation (sic) for the past three years at the Drury Lane address.
 - 3.2 They have developed their alternative medicine programme by colluding(sic) with other major companies, in particular to British Airways on the Business and First Class passengers toiletries kit, where they supply their products.
 - 3.3 Inquiries have determined that they have opened a store in Selfridges in September 2001 and that they are planning further store openings but, at this time, there are no details to hand.”
- 29) Mr Simpson states in his evidence that “Chemist & Druggist” is a publication directed at the pharmacy trade in the United Kingdom which lists by brand name and manufacturer products typically sold through a pharmacy ie ethical medicines, medicines

sold under the supervision of a pharmacist, OTC medicines, "health" products, toiletries (medicated and non-medicated), complementary medicines and alternative (herbal) medicines and nutritional supplements. "Chemist & Druggist Price List" has been published since the early 1960s. It is a subscription only publication. The subscribers are community pharmacies, which includes national pharmacy groups such as Boots and Vantage. The publication is distributed throughout the United Kingdom.

30) In Ms Maddox's second witness statement she states that she visited Farmacia's premises in Drury Lane on 3 December 2001 to ascertain the nature of the business. Ms Maddox also exhibits pages downloaded from Farmacia's website on 23 November 2000. The printout does not show use of either of the registered trade marks. It is divided up into sections: Beauty, Healthcare, Personal Care, Complementary Natural Medicine Clinic, Farmacia medical herbalists – clinic and dispensary, Nutrition, Pharmacy (this section includes the note "see natural therapies for homeopathic and herbal medicines"), Complementary Natural Therapies, Farma-Link, Farmacia Gan Bei Tonic bar – from Elixir of LA and Farmacia Natural Health Screening and Diagnostic testing.

31) Ms Maddox states that all the products sold in the shop bore third party trade marks, other than Farmacia's own brand of herbal medicines which featured the trade mark FARMACIA. Ms Maddox purchased products which were placed in a paper bag which bore a trade mark similar to the upper trade mark of the registration. It differed in the words URBAN HEALING being in lower case, in smaller print (relative to the rest of the trade mark) and not being directly below the word FARMACIA. Ms Maddox exhibits leaflets she picked up from the shop. These are for treatment of irritable bowel syndrome and giving up smoking. The leaflets show the upper trade mark of the series, with the difference that the words URBAN HEALING are in lower case. In Farmacia's evidence there is a booklet it has produced on irritable bowel syndrome and a smoking cessation pack.

32) On 17 December 2002, Ms Maddox visited Boots the Pharmacy in Church Street, Liverpool. In the shop there is a pharmacy serviced by a pharmacist who dispenses ethical medicines. There are a range of medicines which can only be sold to a customer by a sales assistant, often under the guidance of a Pharmacist. All other preparations for treating diseases and ailments are displayed on racks and shelving units within the proximity of the Pharmacy. These goods include analgesics, cough and flu remedies, digestion preparations, vitamin and mineral preparations, complementary medicines, herbal medicines, skin creams, foot care products and eye care products. The BOOTS trade mark appear on products in each of the product categories with the exception of complementary medicines. On 18 December 2002, Ms Maddox visited a Superdrug shop in Church Street, Liverpool. This shop also had a pharmacy from which prescription medicines were dispensed by a pharmacist. In close proximity to the pharmacy counter were display units with general medicines with such goods as analgesics, cold and flu remedies, vitamin and mineral preparations and other general healthcare products.

33) Ms Maddox produces a dictionary reference to show that PHARMACIA has no meaning in the English language. Also produced are dictionary references for the words

pharmaceutical, medicine and drug. Pharmaceutical is defined, amongst other things, as a medicinal drug; medicine as a drug or preparation used for the treatment or prevention of disease (and especially one taken orally); drug as a medicinal substance.

34) On 30 January 2003 Ms Maddox completed a third witness statement. She exhibits a copy of "Chemist & Druggist Monthly Price List" for October 2002. She draws attention to section 2, which lists manufacturers and distributors. Only two Pharmacia companies are listed, Pharmacia Limited and Pharmacia Consumer Healthcare. The former is a wholly owned subsidiary of Pharmacia and the latter is its trading style. I note that the list includes various other companies with a Pharma prefix ie Pharma Consumer Care, Pharmacare, Pharmadass Ltd, Pharmagenics Healthcare Ltd, Pharmalife Healthcare Services, PharmaNord (UK) Ltd and Pharmavita Ltd. Ms Maddox notes that section 3 lists ethical and OTC medicines, non-conventional medicines and toiletries. She identifies seventeen Pharmacia products which appear in the publication.

35) Mrs Maddox exhibits an extract from the Trade Mark Registry's Work Manual in relation to cross devices. She also exhibits dictionary definitions for the words urban and healing.

36) Ms Maddox exhibits a range of items from Farmacia. The trade marks of the registration cannot be seen upon the actual goods. However, upon a variety of literature the upper trade mark can be seen with the variation that the words URBAN HEALING are in lower case. (Or the lower trade mark is used but the word FARMACIA is in upper case.)

37) In Ms Maddox's fourth witness statement, she exhibits various brochures and leaflets of Pharmacia from 1974, 1978, 1981, 2001 and before 1981. Four of the brochures follow a pattern. They show use of a trade mark throughout, such as SALAZOPYRIN, only at the back of the brochure does PHARMACIA and device appears. The leaflet on ulcerative colitis deals with this condition. It refers to SALAZOPYRIN, which is the subject of one of the other brochures. The main trade mark appearing on the leaflet is that of PHARMACIA and device.

38) The final statement of Ms Maddox is a mixture of submission and a critique of the evidence of Farmacia. It is not evidence of fact and so I will say no more about it here. (Although I bear in mind the comments made when coming to a decision.)

DECISION

39) Section 47 of the Act reads:

“ (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.”

40) I also need to consider section 48(1) of the Trade Marks Act 1994 which states:

“Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right-

- (a) to apply for a declaration that the registration of the later trade mark is invalid,
or
- (b) to oppose the use of the later trade mark in relation to the goods or services in
relation to which it has been so used,

unless the registration of the later trade mark was applied for in bad faith.”

Bad faith – section 3(6) of the Act

41) In the grounds of opposition Pharmacia has based this ground on the interaction between section 32(1) and section 3(6) of the Act. I have assumed that the reference to section 32(1) of the Act is an error and that Pharmacia means section 32(3) of the Act.

42) Sections 3(6) and 32(3) of the Act read:

3(6) “A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

and

32(3) “The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.”

43) It is Pharmacia’s claim that Farmacia had no intention to use the trade mark for the class 3 and 5 goods of the registration when it made the application. This issue was dealt with by Neuberger J in *Knoll AG’s Trade Mark* [2003] RPC 10. However, before considering the legal niceties of the matter it is necessary to consider the evidence. No evidence has been furnished to substantiate the claim. A visit to the shop was made and no products showing the use of the trade mark were seen. Mr Bhandari has made a clear statement that there has always been an intention to use the trade mark upon the goods of the registration. No contradictory evidence has been put in to this statement. A lot of the evidence shows use of the trade marks, with the variant use of the lower case for the words URBAN HEALING. The catalogue dated 2002, exhibited at SB2, shows this usage on goods. This is a professionally produced catalogue and shows containers bearing the trade mark. It was also published prior to the amendment of the statement of grounds by Pharmacia, which brought in the section 3(6) grounds. The business is very much identified in other matter as FARMACIA URBAN HEALING. As well as Mr Bhandari’s statement there is the use albeit in a slightly amended format. A posteriori

use is a good empirical measure of a priori intent, in my view. I also note that the specification is by no means covetous.

44) On the basis of the evidence I can find no substantiation of the claim under section 3(6) of the Act. I do not need to go on to consider the legal issues of *Knoll AG's Trade Mark* as on the facts the claim does not get off the ground.

45) The ground of opposition under section 3(6) of the Act is dismissed.

Effect of evidence of Pharmacia

46) The evidence of Pharmacia affects all the three remaining grounds of opposition. Sections 5(3) and 5(4)(a) of the Act are dependent upon the evidence. The objection under section 5(2)(b) can be affected by evidence of reputation.

47) There is no doubt that Pharmacia is a large pharmaceutical company. There is no doubt it has a goodwill in its pharmaceutical business. However, there is an issue as to the sign which is associated with the business. From 1995 up until the date of application PHARMACIA was not used as a trade mark, PHARMACIA & UPJOHN was used. Where PHARMACIA, prior to 1995, and PHARMACIA & UPJOHN were used, they were invariably used as secondary trade marks. The main trade mark is the brand such as NICORETTE. Ms Patton states:

“The approximate annual amount spent on promoting the PHARMACIA trade mark and the products sold thereunder in the U.K. for 1998-1999 was as follows:

<u>Year</u>	<u>£ (millions)</u>
1998	9.2
1999	10.4”

However, at this time PHARMACIA was not being used, PHARMACIA & UPJOHN was being used. The main thrust of the promotion, from the evidence, was not the corporate trade mark but the brand. Of the £19.6 million, £15.4 million went to promotion of the NICORETTE brand alone. In 1993 the corporate brand for NICORETTE was Kabi Pharmacia. That this is part of Pharmacia hardly affects the issue. If the public looked to the second trade mark, it would have seen Kabi Pharmacia.

48) Of course, the public might notice the corporate trade mark. However, there is an absence of any evidence to this effect. It could be that the public will know NICORETTE, for example, but not know PHARMACIA & UPJOHN. Mr Cox, who is from a rival pharmaceutical camp, states that PHARMACIA has been used in the United Kingdom by Group and its predecessors in title for pharmaceutical preparations and services associated therewith during all the time that he has been practising. He is not aware of any other company or group of companies using the name PHARMACIA in the pharmaceutical field. However, that does not tell me of the public perception. It also

leaves the problem of the PHARMACIA & UPJOHN years, the five years immediately proceeding the filing of the application for registration. The evidence of Pharmacia has not addressed the problem of secondary use of the corporate trade mark and the PHARMACIA & UPJOHN period. It is possible that the reputation for PHARMACIA on its own carried on for those five years. However, from the evidence before me I cannot draw a conclusion. It is for Pharmacia to prove its case. In its statement of grounds Pharmacia made no mention of the PHARMACIA & UPJOHN period, it was as if this period did not exist.

49) The relevant date for the purposes of sections 5(3) and 5(2)(b) of the Act is the date of application, 21 March 2000. On the basis of the evidence before me I cannot conclude that Pharmacia enjoyed a reputation for the trade mark PHARMACIA at that date.

50) It is well established that the relevant date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429). The relevant date cannot be any later than the dates of the filing of the application, as section 5(4)(a) of the Act is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998, which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark”.

The issue before me does not relate to the use of FARMACIA, nor FARMACIA URBAN LIVING. The issue before me relates to the trade marks of the registration. I have considered all the evidence of use of the trade marks; from the mention of premises on the literature, I have been able to put it into a time frame. There is no evidence showing use of the trade marks of the registration prior to the date of the filing of the application for registration. Consequently, for the purposes of section 5(4)(a) of the Act the relevant date is also the date of the filing of the application, 21 March 2000. On the basis of the evidence before me I cannot conclude that Pharmacia enjoyed a reputation for the trade mark PHARMACIA at that date. (Pharmacia makes no claim to passing-off rights in relation to the sign PHARMACIA & UPJOHN and puts in no arguments or evidence as to residual goodwill in relation to the sign PHARMACIA. As the sign PHARMACIA had not been used for five years at the relevant date there is a necessity to do this, in my view.)

Section 5(3) of the Act

51) Section 5(3) of the Act states:

“A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

As I have stated in paragraph 48 above, Pharmacia has not established a reputation in the trade mark PHARMACIA at the relevant date. Without a reputation the ground under section 5(3) of the Act must fail.

52) The ground of opposition under section 5(3) of the Act is dismissed.

Passing-off – section 5(4)(a) of the Act

53) Section 5(4)(a) of the Act states that a trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade. In this case the rule of law relied upon by Pharmacia is the law of passing-off.

54) To succeed on this ground Pharmacia needs to establish that the sign PHARMACIA at the relevant date enjoyed a reputation which was associated with its business, such that the public would believe that Pharmacia was responsible for the goods and/or services of Farmacia. As I have stated in paragraph 49 above, Pharmacia has failed to establish this reputation. Consequently, the ground of opposition under section 5(4)(a) of the Act must fail.

55) The ground of opposition under section 5(4)(a) of the Act is dismissed.

Likelihood of confusion – section 5(2)(b) of the Act

56) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

57) The term ‘earlier trade mark’ is defined in section 6(1) of the Act as follows:

“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.”

All of the trade marks of Pharmacia are earlier trade marks as defined by section 6 of the Act.

58) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijzen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG* [2000] ETMR 723.

Comparison of goods

59) In its statement of grounds Pharmacia makes a broad sweep against the goods of the registration based on its earlier registrations at large. However, in the submissions the comparison is made with the goods in Pharmacia’s class 5 registration. Pharmacia also states that it relies principally upon this registration. In relation to the class 3 goods of the registration in its submissions Pharmacia only refers to *toilet and cosmetic preparations and preparations for the hair* in the registration. No mention is made of *perfumes, aromatherapy preparations, deodorants and air fresheners*. As this is the only basis of argument from Pharmacia in its submissions, it is the one that I intend to use to set the parameters of the application for invalidation. This means, of course, that the latter goods will not be caught by the objection under section 5(2)(b) of the Act. (If Pharmacia had made submissions in respect of these goods, I cannot envisage that it would have succeeded in its case.)

60) In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, the European Court of Justice held in relation to the assessment of the similarity of goods that the

following factors, inter alia, should be taken into account: their nature, their end users and their method of use and whether they are in competition with each other or are complementary. I do not consider that there is any dissonance between the two tests. However, taking into account the judgment of the European Court of Justice, I do need to consider whether the goods are complementary.

- 61) Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated:

"I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor."

I will give the words in the specifications their natural meaning, but within the context that they appear in a specification derived from the International Classification of Goods and Services. I also bear in mind the comments of Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* where he stated:

"When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade."

I take on board the class in which the goods or services are placed is relevant in determining the nature of the goods and services (see *Altecnic Ltd's Trade Mark Application* [2002] RPC 34). In relation to the comparison of goods against services I firmly bear in mind the comments of Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16:

"In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase."

- 62) Pharmacia's class 5 registration is for the following goods:

pharmaceutical, veterinary and sanitary preparations and substances; infants' and invalids' foods; medical and surgical plasters; materials prepared for bandaging; disinfectants (other than for laying or absorbing dust), preparations for killing weeds and destroying vermin.

The class 3 goods of Farmacia's registration that I am considering (see paragraph 59) are:

toilet and cosmetic preparations and preparations for the hair.

The main premise of Pharmacia's argument in relation to the above goods is that medicated versions of these goods would appear in class 5. However, it gives no concrete examples of such occurrences. The term *toilet preparations* encompasses anything for a person's toilette, and so encompasses a wide range of goods which will include soaps and shampoos. *Preparations for the hair* will also include shampoos, conditioners and the like. Pharmacia submits that if such goods were medicated they would be proper to class 5. However, if one takes that example of soaps and shampoos, these are in class 3 whether medicated or not (and were certainly in this class in editions 6, 7 and 8 of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as amended and modified). I am not aware of any cosmetics which appear in class 5, no example of such goods is given.

63) Cosmetics are to cover and beautify. Someone with a scar or a blemish might use cosmetics to cover it, this does not make a cosmetic serve a medical purpose. It is still serving the beautifying purpose. The respective goods could be in lotion and liquid form and be applied topically. Ms Maddox states that on her visit to Boots she saw skin creams in the same area as health related products. Probably, and I am only hazarding a guess, they would be products for conditions such as mild eczema. Such creams are not serving a cosmetic purpose, they are serving a medical purpose. The use of cosmetics is different to the use of the goods of Pharmacia's registration; beautifying against medical purposes. The user will be different; he or she who wished to beautify, against he or she who wishes to improve her health or seek relief from some form of illness. In my experience cosmetics are not in the same area as health related goods, and Ms Maddox's evidence does not suggest that they are. To take an extreme example, I would be surprised to find nail varnish next to the aspirins. The copy of "Chemist & Druggist Monthly Price List" does show that cosmetics and Pharmacia's goods go through the same trade channels. It has been common for a long time to find chemists selling cosmetics, so this is no surprise. I cannot envisage that one would substitute goods for cosmetic purposes for the class 5 goods of Pharmacia's registration. Consequently, they are not in competition. I have taken complementary to mean goods which have a symbiotic or mutually dependent relationship. Less restrictive views were taken by the hearing officer in *QS by S Oliver [1999] RPC 530* and by The Court of First Instance in *Pedro Díaz, SA v OHIM (CASTILLO)* Case T-85/02. If one takes the "liberal" view it could be argued that in certain cases the goods might be considered complementary. One might have a lotion to ease and/or cure a skin problem and use a cream to hide the physical evidence of the problem.

64) Certain cosmetic preparations will have no realistic connection with the Pharmacia's goods eg nail varnish and mascara. However, it is not for me to decide which goods are of interest to Farmacia. I can only deal with the specification as filed and this uses the portmanteau term *cosmetic preparations* which encompasses goods which, in my view, are similar to those of Pharmacia's registration. That goods share similarities does not

make them similar. It is the quantum of the similarities that give rise to an overall similarity that will trigger one part of the section 5(2)(b) test. In this case there are a variety of similarities and dissimilarities. **I have come to the conclusion that cosmetic preparations of the registration enjoy a limited degree of similarity with the goods of Pharmacia's class 5 goods.**

65) The specification of the registration covers medicated and non-medicated versions of such goods as shampoos and soaps. Consequently, the goods could be to help to deal with a condition or illness. So the use and the consequent users could be the same. In such circumstances the respective goods would all be for medical purposes. They could all be recommended by a doctor. As shown in "Chemist & Druggist Monthly Price List", the goods share the same channel of trade. All the respective goods could be in liquid or lotion form and be applied topically or onto the hair. Where for medical purposes, the goods could be in the same area of a shop. For an infestation of lice, for instance, one might use medicated shampoos and/or soaps or one might use pharmaceutical products or a combination of the two. Consequently, the goods can be considered to be in competition and also possibly complementary, using the liberal interpretation of the term.

66) It is possible that *toilet preparations* and *preparations for the hair* will cover goods that are not similar to those of the earlier registration. As I have stated earlier, I can only deal with the specification as filed. **On that basis, I find that *toilet preparations* and *preparations for the hair* enjoy a high degree of similarity with the goods of Pharmacia's registration.**

67) *Herbal remedies* are for medical purposes; what else are remedies for? These goods share with *pharmaceutical preparations and substances* the same purpose, the same use, the same user. They are likely to be of the same nature eg capsules to be taken orally. The evidence shows that they share the same channel of trade and the same area of shops. Having the same purpose, the goods are clearly in competition. Farmacia's own literature identifies the goods as alternatives. *Herbal preparations* could also be taken in combination with conventional *pharmaceutical preparations and substances* and so could be considered complementary. In effect the only real difference between *herbal remedies* and *pharmaceutical preparations and substances* is that the former do not normally undergo the same testing and policing regime as the latter. **The respective goods, in my view, are similar to a high degree.**

68) I will compare *nutritional products, vitamins and minerals* of the registration with *pharmaceutical preparations and substances* and *infants' and invalids' foods*. *Nutritional products* by any normal reading of the term will include *infants' and invalids' foods*. Consequently, these goods are identical. All of the respective goods are for the improvement of the state of the body. They are all designed for the purposes of improving or promoting health. The users of the goods are those who wish to overcome ailments or boost their health. All of the respective goods will be taken orally. Farmacia's own literature refers to its range of tonics. It states that these goods "stimulate vitality and optimal health". The respective goods, according to the evidence, will use the same channels of trade. One set of goods can be substituted for another, and

so they are in competition. In the case of *pharmaceutical preparations and substances* and *vitamins and minerals* there is no clear delineation. I might buy a bottle of ascorbic acid tablets; if it is labelled as ascorbic acid it could be called a pharmaceutical product, if it is labelled vitamin C it could be considered a vitamin.

69) I find that *nutritional products, vitamins and minerals* of the registration are either identical or enjoy a high degree of similarity with the goods of Pharmacia.

70) This leaves *deodorants*. *Deodorants* in class 5 include agricultural deodorants, deodorant preparations for absorbing animal odours, deodorant preparations for absorbing cooking odours, deodorant preparations for household use, deodorant preparations, other than for personal use, pet deodorants and room deodorants. I cannot readily see any goods in Pharmacia's specification which match these goods. *Sanitary preparations and substances* and *disinfectants* would upon the surface seem to be the only goods with any possible link to *deodorants*, in that both might be scented. One set of goods is for cleaning, the other for masking a smell. So the use and the consequent user are different. They could follow the same channel of trade. However, I do not know if they would appear in the same area of a shop. One would not substitute the respective goods. So they are not in competition. I cannot see that there is any real complementary relationship. In the end I am hard put to see any connection, other than that both might be scented. **I do not consider that the respective goods are similar.**

71) There is nothing to suggest that it is a norm in trade for pharmaceutical manufacturers to run *medical clinics* or *surgeries*. (There is no parallel with beers and pubs or service stations and petrol.) Such establishments will no doubt use pharmaceuticals and *medical clinics* and *surgeries* are for medical purposes. There is a link through medicine. I cannot see that one would opt for a visit to a clinic in place of taking a drug, or vice versa. So I do not consider that the goods and services are in competition. A person visiting a clinic or surgery is likely to be given medication and so if one could consider that there is a complementary relationship. **In the absence of any evidence of a link in trade as a norm, I consider that the best that can be said is that there is a low degree of similarity between the *medical clinics* and *surgeries* and the goods of Pharmacia.**

72) The evidence from Pharmacia is that it gives advice about health matters and its pharmaceutical products through literature. Farmacia also does this. Indeed both undertakings have produced literature upon irritable bowel syndrome and smoking cessation. Farmacia has produced a good deal of literature offering advice. The advice that is being offered, *pharmacy advice*, directly relates to pharmaceutical products. Pharmaceuticals are often taken following advice and advice is often given as to what pharmaceuticals could or should be taken. Primarily and essentially *pharmacy advice* is about advice about pharmaceuticals. If one visits a pharmacy for advice, it is in relation to the purchase of some product. For general advice one normally goes to a medical practitioner. **I consider that there is a degree of similarity between *pharmacy advice* and Pharmacia's class 5 goods.**

Comparison of trade marks

73) The trade marks to be compared are:

Pharmacia's trade mark:

PHARMACIA

Farmacia's trade marks:



Farmacia's registration is for a series of two trade marks which include a colour claim. I do not consider that it matters which of the two trade marks I use for a comparison. They stand and fall together.

74) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG* page 224). 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* page 224). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. 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 Meyer & Co GmbH v Klijzen Handel BV* page 84, paragraph 27). Pharmacia has commended *Bulova Accutron Trade Mark* [1968] FSR 336. I do not consider that this case tells me anything usefully additional to the findings of the European Court of Justice in this matter.

75) There is no dispute that PHARMACIA is identical phonetically to FARMACIA. The issue in dispute arises in relation to the overall effect of Farmacia's trade mark and its dominant and distinctive element(s). Crosses regularly appear outside pharmacies. Usually it is a green cross. In this case there is a colour claim so the cross will not be in green. There have been submissions made about the distinctiveness of the words URBAN HEALING. I cannot see that the words are specifically descriptive of anything. Although they give an allusion to the nature of the goods and services. FARMACIA, for the average United Kingdom citizen, will have no meaning. Equally PHARMACIA will have no meaning in English, even if it alludes to pharmacy and pharmaceutical. It is not uncommon in commerce for an f to be substituted for ph, as in foto. In the end the issue boils down to whether the trade marks are distinctively similar (see *Torremar Trade Mark* [2003] RPC 4). What is the trigger point of Farmacia's trade mark? Owing to the get-up, the nature of the other elements, I consider that the trigger for perception and

memory in Farmacia's trade mark is the word FARMACIA. That is the dominant and distinctive element.

76) I consider that the respective trade marks are distinctively similar .

Conclusion

77) For the goods that are not similar there cannot be a likelihood of confusion. For other goods I have to bear in mind the distinctiveness of the earlier trade mark, the proximity of the trade marks and the proximity of the goods. As I have decided above, the issue of reputation cannot come into play.

78) The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (European Court of First Instance Case T-79/00 *Rewe Zentral v OHIM (LITE)*). In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgement of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49). In *The European Ltd v The Economist Newspaper Ltd* [1998] ETMR 307 Millet LJ dealt with this jurisprudence from the opposite angle:

“The converse, of course, follows. The more descriptive and the less distinctive the major feature of the mark, the less the likelihood of confusion.”

PHARMACIA clearly has an allusion to class 5 goods. However, it is an invented word. It is not a word that directly describes a characteristic of the goods. It is not the most inherently distinctive trade mark for the goods. However, the issue of distinctiveness is linked to the similarities in the trade marks. So in the case of a trade mark with limited distinctiveness the public will be able to distinguish it from other trade marks through small differences. If the issue before me was simply a matter of the PHARMA/FARMA prefix sound, this would be a very different case. In this case Farmacia has taken the phonetically identical word as a striking part of its trade mark. The substitution of F for PH is a common touch. I do not dispute that Farmacia chose the word because of its Castellano meaning. However, that is an irrelevance for the average consumer in the United Kingdom. It is the effect and not the reason behind the effect that is important. Despite the other elements in the trade marks of the registration, the similarity between FARMACIA and PHARMACIA gives the public little space for differentiation.

79) Farmacia makes much of a lack of evidence of confusion in the marketplace. Ms Patton stated that there had been confusion and then failed to come up with the goods for this claim. It should have been easy enough for Farmacia to get members of its staff to make statements. Where are the letters that were referred to? However, the absence of

evidence of confusion tells me little. If people are completely confused they will not be aware that they are confused. More relevant is that the trade marks of Farmacia have not been cut-off from the umbilical cord of its premises and its mail order business. This is not a registration for a retail service. The registration allows the goods and services to venture anywhere and everywhere. That situation has not been tested. It is also a matter of considering notional and fair use of all the goods and services of both sides. Use by Pharmacia of PHARMACIA is also very much secondary use. It is brand use that is dominant. There is no evidence that PHARMACIA has gone out to any great extent on its own. Consequently, the use in the market place does not reflect the notional use that I must consider for purposes of a registered trade mark. If this was a matter of passing-off this could have been a very different kettle of fish.

80) There are, clearly, differences between the trade marks. There are also goods and services which do not share a great deal of similarity. This is a case where I consider that there is a likelihood of confusion where there is a sufficient critical mass created by the degree of similarity of the trade marks, the degree of proximity of the goods/services and the nature of the goods and services. None of the goods or services fall into the “bag of sweets” category. I consider that someone making use of a medical clinic or surgery will be making a careful and educated decision; it is not like dropping into the pub after work. It is now well established that there is no special test for pharmaceuticals. However, owing to the nature of the goods of the registration it is likely that the customer will take a little time in perusing them. On the other hand, much of that perusal is likely to be directed to the purpose of the goods or directions for use.

81) The registration had not been registered for five years at the date of the filing of the application for invalidation. Consequently, there is no issue as to acquiescence.

82) Taking into account the nature of the goods and services, the degree of proximity of the goods and services which are similar and the degree of proximity of the trade marks, I consider that there is a likelihood of confusion in respect of the following goods and services only:

toilet preparations, preparations for the hair;

herbal remedies and nutritional products; vitamins and minerals;

pharmacy advice.

Under section 47(2)(a) of the Act I find that registration no 2226541 is invalid in respect of the above goods and services on the ground that it was registered in breach of section 5(2)(b) of the Act. The registration is to be cancelled in respect of the above goods and services. In accordance with section 47(6), the registration in respect of these goods and services is deemed never to have been made.

82) Pharmacia AB has been partially successful in its application. It is entitled to a contribution to its costs. In making the award I take into account the extent of the success. I order Farmacia Chemists Limited to pay Pharmacia AB the sum of £1450. 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 12th day of December 2003

**David Landau
For the Registrar
the Comptroller-General**