O-226-21

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NOS. 3420644, 3420652 AND DESIGNATION NO. WO1410987
BY ASTRAZENECA AB IN RESPECT OF THE TRADE MARKS

BREZTREO

BREZTRIO

AND

BREZTRI

IN CLASS 5

AND IN THE MATTER OF TWO OPPOSITIONS AND ONE INVALIDATION THERETO UNDER NOS. 418514, 418517 AND 502942 BY NOVARTIS AG

Background and pleadings

1. AstraZeneca AB (hereafter “AZ”) applied to register the following two trade marks in the UK. The relevant details of each are:

(i) 3420644

BREZTREO

Filing date: 12 August 2019
Publication date: 23 August 2019

Class 5: *Pharmaceutical preparations and substances*.

(ii) 3420644

BREZTRIO

Filing date: 12 August 2019
Publication date: 23 August 2019

Class 5: *Pharmaceutical preparations and substances*.

2. AZ is also the proprietor of the following registered International Registration (“IR”) designating the UK:

WO1410987

BREZTRI

Date of designating the UK: 5 June 2018
Date of protection of the IR in the UK: 18 October 2018

Class 5: *Pharmaceutical preparations and substances*.

3. Novartis AG (hereafter “Novartis”) opposes AZ’s two applications and has applied to invalidate its IR all on an identical basis. The grounds relied upon are sections 5(2)(b) and section 5(3) of the Trade Marks Act 1994 (“the Act”).

4. In respect of the section 5(2)(b) grounds it relies upon the following earlier EU trade marks (“EUTMs”):

(i) EU905114822

ONBREZ

Filing date: 15 May 2006
Date of entry on the register: 3 April 2007

Class 5: *Pharmaceutical preparations*.

(ii) EU15812498

BREZILIZER

Filing date: 7 September 2016
Date of entry in register: 20 December 2016

Class 5: *Pharmaceutical preparations*.

5. Novartis asserts that its ONBREZ mark and AZ’s marks are similar because the dominant and distinctive element of the contested applications and registration is BREZ with the TREO/TRIO/TRI elements liable to indicate that the product in question is a triple-combination therapy product. It states it will adduce evidence to demonstrate that AZ is intending to develop such a product for the treatment of chronic obstructive pulmonary disease (“COPD”). It also asserts that the respective goods are identical and that its ONBREZ mark enjoys enhanced distinctive character in the EU and the UK for products for the treatment of chronic obstructive pulmonary disease on account of the longstanding use of the mark and the promotion thereof.

6. In respect of its BREZILIZER mark, it asserts that the “-ILIZER” element is likely to bring to mind the term “nebulizer” which is a method of delivery of certain COPD and asthma products. It submits that, accordingly, the relevant consumer is likely to consider that two products with the same therapeutic aims bearing the marks BREZILIZER and BREZTREO/BREZTRIO/BREZTRI are related products.

7. In respect of the grounds based upon section 5(3) of the Act, Novartis relies only upon its ONBREZ EUTM. It asserts that:

- its ONBREZ mark enjoys a considerable reputation within the EU for products for the treatment of COPD;
- as far as it is aware, this is the only product for the treatment of COPD on the market which “comprises the element ‘BREZ’”;
- The marks ONBREZ and BREZTREO/BREZTRIO/BREZTRI share such a degree of similarity that the relevant consumer will make a link between the two marks when used for goods with the same or similar therapeutic aims;
- Use of AZ’s marks will, without due cause, take unfair advantage of, and be detrimental to, the distinctive character and the repute of the earlier ONBREZ EUTM;
- In particular, use of AZ’s marks is liable to take unfair advantage of the reputation in ONBREZ because AZ would benefit from the power of attraction of the ONBREZ mark for the relevant goods. The reputation would be liable to transfer to AZ’s unrelated goods;
- Use of AZ’s marks would dilute the distinctive character of Novartis’ EUTM where use in respect of the same or similar goods;
- Were AZ’s marks to be used in respect of new competing or complementary pharmaceutical products with a lower efficacy or which are defective, this would tarnish the reputation and power of attraction of Novartis’s EUTM.

8. AZ filed a counterstatement. Novartis’ ONBREZ EUTM completed its registration period more than five years before the filing date of the contested marks and,

therefore, is potentially subject to the proof of use provisions[1]. However, AZ has not put Novartis to proof of use. Consequently, it is entitled to rely upon the full breadth of the specification of goods in respect of its ONBREZ EUTM. Its BREZILIZER EUTM is not subject to the proof of use provisions.

9. AZ denies that its marks offend under section 5(2)(b) and section 5(3) of the Act and also denies that Novartis' ONBREZ EUTM benefits from an enhanced level of distinctive character in the EU and the UK in respect of products for the treatment of COPD. It also denies that the ONBREZ EUTM has the requisite reputation for the purposes of section 5(3) or that the requisite link exists and that it will take unfair advantage of, or be detrimental to, the distinctive character of the ONBREZ EUTM.

10. All three proceedings were subsequently consolidated.

11. Only Novartis filed evidence in these proceedings, but AZ filed written submissions. I will refer to the evidence to the extent that it is considered necessary and I will keep the written submissions in mind. A hearing took place before me on 18 January 2021 where Novartis was represented by Dan McCourt Fritz of counsel, instructed by Abel & Imray and AZ by Lindsey Lane Q.C. of counsel, instructed by Taylor Wessing LLP.

DECISION

Novartis' Evidence

12. This takes the form of the witness statement by Mireille Valvason, a Senior IP Counsel working for an affiliate of Novartis and an Authorised Signatory for Novartis. Ms Valvason explains that she has worked "for decades on matters involving Novartis AG trade marks". Ms Valvason provides evidence regarding the products sold under the ONBREZ name, information about single, dual and triple therapy products and sales, market share and promotion of the ONBREZ product. I will refer to this evidence in more detail later in the decision.

[1] Contained in section 6A and section 47(2A) of the Act

EU Case Law

13. Although the UK has left the EU, section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

Section 5(2)(b)

14. Section 5(2)(b) of the Act is as follows:

> "5(2) A trade mark shall not be registered if because-
>
> (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".

15. Section 5A of the Act is as follows:

> "5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

16. In respect of Novartis' invalidation action, section 5(2)(b) (and section 5(3)) are relevant because of the following parts of section 47:

> 47. - (1) …

(2) Subject to subsections (2A) and (2G), 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

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

…

(2G) An application for a declaration of invalidity on the basis of an earlier trade mark must be refused if it would have been refused, for any of the reasons set out in subsection (2H), had the application for the declaration been made on the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application.

(2H) The reasons referred to in subsection (2G) are- (a) …; (b) that the application for a declaration of invalidity is based on section 5(2) and the earlier trade mark had not yet become sufficiently distinctive to support a finding of likelihood of confusion within the meaning of section 5(2); (c) that the application for a declaration of invalidity is based on section 5(3)(a) and the earlier trade mark had not yet acquired a reputation within the meaning of section 5(3).

…

(5) Where the grounds of invalidity exists 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.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(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.

Comparison of goods

17. In the judgment of the Court of Justice of the European Union ("the CJEU") in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.,* Case C-39/97, the court stated at paragraph 23 of its judgment that:

> "In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary".

18. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

19. In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T-133/05, the General Court ("the GC") stated that:

"29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

20. The respective goods are:

Novartis' goods	**AZ's goods**
Pharmaceutical preparations.	*Pharmaceutical preparations and substances*

21. In its written submissions, AZ made submitted that there is an absence of a likelihood of confusion "even if one were to assume – for the sake of argument – an identity of the goods." Therefore, it has not provided a categoric view, but it is self-evident that the common occurrence of the term *Pharmaceutical preparations* in both parties' specifications means that identical goods are involved.

22. In respect of the term *Pharmaceutical … substances*, whilst there may be scope for this term not to cover some goods included under the term *pharmaceutical*

preparations there will be a high level of similarity because they have the same or very similar nature, identical purpose, methods of use and trade channels and they are in competition.

Comparison of marks

23. It is clear from *Sabel BV v. Puma AG*, Case C-251/95 (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*, Case C-591/12P, that:

> ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

24. It would be wrong, therefore, to dissect the trade marks artificially, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

25. I will begin by comparing AZ's marks to Novatris' ONBREZ EUTM. The respective marks are shown below:

Novartris' earlier EUTM	AZ' mark
ONBREZ	BREZTREO BREZTRIO BREZTRI

26. Novartris' EUTM consists of a single word that presents as an invented word. The EUTM begins with the letters ON. Mr McCourt Fritz submitted that this is a commonly used and understood English word and may impact the perception of some consumers who may split the word along these lines i.e. ON/BREZ. Whilst I agree that the mark may be split along these lines by the average consumer in terms of aural considerations, the mark presents as a single invented word. The average consumer will not normally dissect a mark in the manner suggested by Mr McCourt Fritz. The mark's distinctive character resides in its totality and it is its overall impression as an invented word that creates its distinctive character.

27. In respect of AZ's marks, they all consist of BREZ appearing at the beginning of the marks and either TREO, TRIO or TRI at the end. Again, the marks all present as a single invented word despite the second element of each mark potentially contributing to a certain level of allusiveness. I conclude that the distinctive character of all three marks resides in the overall impression created by the single invented words.

28. In respect of AZ's BREZTREO mark it shares some visual similarity with Novartis' mark by virtue of sharing the same four letters BREZ appearing in the same order. However, they differ in all other respects. The position of the common BREZ letters is at the end of one mark and the beginning of the other. AZ's mark also includes the letters TREO at its end, whereas Novartis' mark contains the letters ON at the start. They are also different in length. Consequently, as submitted by Ms Lane both the beginning and end of the marks are different. I conclude that there is some similarity but is only very low.

29. Parallel observations can also be made in respect of the visual similarity of AZ's other two marks to Novartis' mark. AZ's BREZTRI mark has one fewer letter but this does not change my considerations to any measurable extent. I conclude that these marks also share a very low level of visual similarity.

30. Aurally, AZ's first two marks consist of the identical three syllables BREZ-TREE-O. Novartis' mark consists of the two syllables ON-BREZ. Ms Lane submitted that it may also be expressed as ON-BREY. Whilst I don't rule out that a small proportion of UK consumers may do so, I consider that the vast majority will attach a normal English pronunciation as ON-BREZ. Taking all of this into account, again there is some similarity because of the common occurrence of the syllable BREZ but this is no more than low.

31. In respect of AZ's third mark, it consists of only the two syllables BREZ-TREE and consequently is aurally similar in length to Novartis' mark. In other respects, the same applies to that in the previous paragraph. I factor this into the other considerations that are the same as the previous paragraph and I conclude that the level of aural similarity is still low.

32. Turning to conceptual similarity, Mr McCourt Fritz submitted that there is no material difference as regards the -TRI, -TRIO or -TREO suffixes that all invoke the concept of three, triple or trio and in respect of products for the treatment of COPD/asthma all three suffixes will naturally be understood as alluding to a triple combination. There is a slight difference in concept in respect of the ending of AZ's second and third marks in that TRIO on its own is a noun describing "a set or group of three people or things"[2], whereas, TRI- is a combining form to describe the concept of "three" or "having three"[3] . These marks naturally break into BREZ and TRIO/TRI because of the syllables they form. Ms Lane submitted that because the respective marks are made up words, they would not convey any meaning to the average consumer. Despite being invented words, it is still possible for the marks to convey an allusive meaning[4]. Both TRIO and TRI are often used to indicate three or

[2] Search Results for Trio - Oxford Reference
[3] Search Results for Tri - Oxford Reference
[4] See for example Usinor SA v OHIM **(**GALVALLOY), T-189/05

a group of three. However, being combined with BREZ such an allusion is weak. Whilst some consumers may see the allusion, others will purely see an invented word with no allusion. This is because, the TRI letters appear at the end of the marks rather than the normal placement as a prefix (e.g. “tricolour”). I also take account that TRI in particular is often a combination of letters often used in the English language in a way that is not and does not indicate a group of three (e.g. “tried”, “trick”, “concentric” etc), therefore, when appearing at the end of the mark, the meaning suggested by Mr McCourt Fritz may not be apparent. In the case of the BREZTREO mark, any allusion to a group of three is likely to be lost because TREO is not understood in the English language (or if it is, there is no evidence before me) as meaning a group of three or similar. It differs by only one letter from the word TRIO and has the same aural characteristics and, because of this, it is conceivable that some consumers will see it as an allusion to a group of three, but I consider this to be unlikely.

33. Therefore, I dismiss Mr McCourt Fritz’s submission in respect of this mark. Novartis’ mark consists of the single invented word ONBREZ that creates no obvious allusion. There is a suggestion that BREZ may be seen as a reference to “breath” but this is not obvious to me and there is nothing before me other than this assertion that the relevant consumer will perceive this. Taking all of this into account, I conclude that the respective marks share no conceptual similarity.

34. Next I consider the similarity between AZ’s marks and Novartis’ BREZALIZER mark. The respective marks are shown below:

Novartris’ earlier EUTM	**AZ’ marks**
BREZILIZER	BREZTREO BREZTRIO BREZTRI

35. Novartis’ mark presents as a single invented word. The -ILIZER ending may bring to mind the idea of a nebulizer (something I will discuss in more detail later) but

this does not detract from it being perceived as an invented word that is the only and therefore dominant distinctive element. I have already commented on the dominant and distinctive elements of AZ's marks in paragraph 27, above.

36. Visually, there is similarity between the marks because of the common occurrence of the prefix BREZ in all of them. However, there is no similarity in the remainder of the respective marks and AZ's marks are shorter in length compared to Novartis' mark. Taking all of this into account, I conclude that the similarity between the respective marks is somewhere between low and medium.

37. Aurally, Novartis' mark consists of the four syllables BREZ-A-LIE-ZER whereas, as I mentioned earlier, the first two of AZ's marks consist the three syllables BREZ-TREE-O and its third mark the two syllables BREZ-TREE. All the marks share the same first syllable BREZ- but differ in that they are shorter words and the additional syllables are different to any of the three additional syllables present in Novartis' mark. Taken all of this into account, I conclude that Novartis' first two marks share a low level of aural similarity and at least equally as low in respect of its third mark.

38. Turning to the issue of conceptual similarity, the prefix BREZ does not have any obvious meeting. I have already dismissed the submission that it may be perceived as a reference to "breath". This is the only common element in respect of all the marks and I find that it has no conceptual meaning. The other aspects of the respective marks may create allusions (as discussed earlier), but these allusions are different in the respective marks i.e. "three" or a "group of three" in AZ's marks. In respect of the "-ILIZER" part of Novartis' mark, Mr McCourt Fritz submitted this will be perceived as a reference to a nebulizer. Ms Lane submitted that it is not clear that the average consumer will perceive a reference to "nebulizer" suggesting that it could be a reference to "fertilizer" or "atomizer". I accept that for certain goods covered by Novartis' specification (including those in the field of particular interest to both parties in these proceedings), Novartis' mark is likely to be perceived as being allusive of a nebulizer. However, such an allusive characteristic is absent in AZ's marks. I conclude that the respective marks share no conceptual similarity.

Average consumer and the purchasing act

39. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer,* Case C-342/97.

40. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

41. At the hearing, Ms Lane referred me to the following comments I made in *carexy Trade Mark*, BL O-270-19:

> "35) In *Bayer AG v EUIPO*, Case T-261/17, the GC held that the average consumer pays a heightened level of attention when selecting pharmaceutical products, including such products available without a prescription (see paragraph 33 of the judgment). I find that this will generally be the case with the parties' goods in the current case, but nonetheless, recognise that there are exceptions to this e.g. plasters, where such goods are bought without any more than an average level of care and attention. The purchasing process for pharmaceutical products may be visual in nature, where they are self-selected from a shelf (or online equivalent), but equally, they may be requested aurally at a counter. Therefore, I find that both visual and aural considerations are relevant.

36) In *Mundipharma AG v OHIM*, Case T-256/04, the GC accepted that there were two groups of relevant consumers for a pharmaceutical product, professional users and the general public. The opponent's submission to the same effect is noted and I find that the average consumer for such goods may be a specialised consumer within the medical field or ordinary members of the public seeking such goods for treatment of an ailment or for a specifically controlled diet."

42. It is common ground between the parties that there are two groups of relevant consumers (even where prescription only as in the case here) as suggested in *Mundipharma*, namely, medical professionals and end users. It is also common ground that both types of average consumer will take a high level of care and that both aural and visual considerations are relevant. At the hearing, Mr McCourt Fritz also recognised that, being prescription only, the relevant public is primarily healthcare professionals because direct marketing to end users is prohibited.

Distinctive character of the earlier trade mark

43. In *Lloyd Schuhfabrik Meyer & Co. GmbH* v *Klijsen Handel BV,* Case C-342/97 the CJEU stated that:

"22. 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, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been

registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

44. Mr McCourt Fritz submitted that I must consider the linguistic context of the mark, namely that BREZ is totally alien to the English language thus highly distinctive. I remind myself that ONBREZ is a single word and to dissect it as suggested by Mr McCourt Fritz is not the correct approach. Rather, I must consider distinctive character from the perspective of the overall impression created by the word. With this in mind, ONBREZ presents as an invented word and it is endowed with a good deal of inherent distinctive character.

45. In respect of Novaris' BREZILIZER mark, whilst it is also an invented word, as I observed earlier, it contains an allusion to a nebulizer**.** Consequently, its level of inherent distinctive character is slightly less than for ONBREZ.

46. Novartis does not claim any use in respect of its BREZILIZER mark and, therefore, I only have enhanced distinctive character to consider in respect of its ONBREZ mark. Mr McCourt Fritz submitted that there is a "significant proportion" of UK sales every year between 2014 – 2019 in respect of long acting beta agonist ("LABA") for the treatment of asthma/COPD. Ms Valveson's evidence shows that:

- LABAs are available as single, double (where a "reliever" and a "preventer" are combined) or triple therapy (that contains a "reliever", a "preventer" and a long acting muscarinic antagonist)[5];

[5] Ditto, para 4

- In 2019, Novartis' ONBREZ product had 40% or more of the single therapy LABA market share in 10 EU states and in the six-year period to the end of 2019 sales in the EU exceeded $500 million[6];
- UK sales over the same 6 year period show a decline from around $2.5 million in 2014 and 2015, $2.2 million in 2016, $1.75 million in 2017, $1.35 million in 2018 and nearly $1.1 million in 2019[7];
- Over the same period, ONBREZ has enjoyed around 5% UK market share of the sector for single therapy LABA treatment of asthma/COPD[8];
- ONBREZ is a prescription only product and, consequently, Novartis is unable to market it to end consumers but has invested substantial sums in marketing to health professionals particularly by contact between sales representatives and medical practitioners[9]. Advertising spend in the UK in the five years 2015 – 2019 was $568k, $685k, $270k, $251k and £252k respectively[10];
- Following a search of mimms.co.uk, it is submitted that ONBREZ is the only treatment of COPD or asthma on the European market which comprises the element BREZ[11];

47. Ms Lane submitted that distinctive character must be across the scope of registration. She further criticised Novartis' evidence because it does not show the item cost of the ONBREZ product or the number of patients. The evidence does suffer from some defects but the overall picture adequately portrays the scale of its use. However, as Ms Lane submitted, this scale is within a very narrow field (single therapy LABA treatment for COPD/asthma). I factor this into my consideration together with the other information relating to the UK use and I conclude that that the distinctive character of ONBREZ has been enhanced but not to any great extent and only in respect of the specific goods where use has been shown. This does not impact Novartis' case to any appreciable extent because I have already found that the mark is endowed with a good deal of inherent distinctive character.

[6] Ms Valvason's witness statement, para 2
[7] Ditto, para 14
[8] Ditto, para 15
[9] Ditto, para 16
[10] Ditto, para 17
[11] Ditto para 19 and Exhibit 13

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

48. The following principles are obtained from the decisions of the CJEU in *Sabel BV v Puma AG,* Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,* Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV,* Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive

role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

49. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG,* paragraph 22). These factors must be assessed from the viewpoint of the average consumer who rarely has the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind. Confusion can be direct (which occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and goods down to the responsible undertakings being the same or related).

50. Mr McCourt also referred to the following helpful guidance of Arnold J (as he then was) in *Interflora v Marks & Spencer*[12]

> "*This is not a binary question: is the average consumer confused or is the average consumer not confused? Rather it requires an assessment of whether it is likely that there is, or will be, confusion, applying the standard of perspicacity of the average consumer. It is clear from the case law that this does not mean likely in the sense of more probable than not. Rather it means sufficiently likely to warrant the court's intervention.*"

51. Mr McCourt Fritz made it clear that Novartis' position is that there is a likelihood of indirect confusion. There is no claim that that there is a likelihood of direct confusion.

ONBREZ v BREZTRIO/BREZTREO/BREZTRI

52. I have found that:

- The respective goods are identical or share a high level of similarity;
- All the parties' marks present as single invented words;
- AZ's marks share a very low level of visual similarity, a low level of aural similarity and no conceptual similarity with Novartis' ONBREZ mark.
- There are two groups of average consumers being health care professionals and end users;
- ONBREZ is endowed with a good deal of inherent distinctive character and this is enhanced by a low degree because of the use made of it in respect of some very specific goods.

53. In respect of the guidance on indirect confusion, Ms Lane relied upon the comments of Mr Iain Purvis Q.C. sitting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc.* (BL O/375/10):

[12] [2013] EWHC 1291 at [224]

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).
>
> (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

54. In addition, Ms Lane also directed me to a further decision of an Appointed Person, namely *CHEEKY INDIAN Trade Mark*[13] and the comments of James Mellor QC (as he then was):

> "20. The second problem is that, for the average consumer to perceive a brand extension, the extension has to be something which is familiar and natural, so that it is immediately perceived by the average consumer. In this case there is no evidence that traders who provide food and drink or catering services operate linked outlets identified as offering different national cuisines. In my view, the experience of the average consumer is to the exact opposite: usually, those traders who do identify a national cuisine in their branding only refer or allude to one. There may be chains of outlets under the same branding, but the average consumer is not accustomed to seeing a house mark used in conjunction with individual words indicating different national cuisines."

55. Ms Lane concluded that the parties' marks in the current case do not fit this test. Mr McCourt Fritz submitted that medical professionals will think that BREZTRI is a triple therapy successor of ONBREZ. He also submitted that the current case differs from the circumstances in CHEEKY MONKEY in that there was no evidence that it was common practice in the industry to use linked names. Novartis' evidence in support of the claim that it is "rather common in the respiratory field to have combination products derived from a corresponding single therapy products" is as follows[14] (with my use of **bold**):

(i) GSK's dual combination product SERETIDE is a combination of the marks **SERE**VENT and FLIXO**TIDE** identifying the single action products that have been combined;

(ii) AZ's own DUA**KLIR** product is a combination product derived from the single therapy products E**KLIR**A;

[13] BL O-219-16

[14] Ms Valvason's witness statement, para 21 and Exhibit MV14

(iii) AZ's own SYMBICORT product is derived from its single therapy product PULMI**CORT**;

(iv) Boehringer Ingelheim's SPIOLTO product derived from its BERODUAL and **SPI**RIVA.

56. Mr McCourt Fritz submitted that this evidence is unchallenged. It is challenged insofar as there is a submission put forward by Ms Lane that the evidence does not show what Novartis claims that it does. Ms Lane submitted that these are not evidence of a common practice in the respiratory field but, rather, they are random examples of marks sharing some part of a mark and fall short of illustrating it is a common approach in the respiratory field.

57. I agree with Ms Lane. This evidence does not illustrate that it is common practice to combine parts of marks. Two of the examples provided (SERETIDE/SEREVENT and SPIOLTO/SPIRIVA) are using the same prefix but even then, because of the overall differences between the marks I cannot reach the conclusion that the consumer will assume that the same prefix conveys some family relationship. Two use the same suffix (SERETIDE/FLIXOTIDE and SYMBICORT/PULMICORT) but once again, because of the overall differences between the marks, I cannot reach the conclusion that the consumer will assume the common suffix results from the marks coming from the same trader. The second example shows the suffix KLIR being imbedded in the middle of a later mark and, in my opinion the KLIR component becomes totally lost in EKLIRA (because it will naturally split as EK-LIR-A). None of these examples illustrate that suffixes are used as prefixes in later marks or vice versa and even less so that where it does, it will be perceived as identifying a family of marks from one undertaking. This is important because the practice of reusing a prefix or a suffix in a later mark may, in some circumstances, be sufficient to create the impression of a brand extension or family. However, the switching of a suffix to a prefix has greater implications in respect of aural, visual and, potentially, conceptual differences and this points, much less strongly, to a finding of indirect confusion.

58. I conclude that Novartis has failed to prove that there is a common naming practice in the field such that the average consumer will expect the goods identified by the respective marks to originate from the same or linked undertaking. Having

reached this finding, it also follows that I dismiss Mr McCourt Fritz's submission that medical professionals would be aware of such a naming practice.

59. Mr McCourt Fritz's submitted that AZ's BREZTRI triple therapy product and Novartis' ONBREZ single therapy product are in direct competition. This may be the case, but it does not advance Novartis' case beyond my finding that the respective specifications include identical goods.

60. He also submitted that I should keep in mind the linguistic context, namely, that:

(i) BREZ is totally alien to the English language and is thus highly distinctive;
(ii) BREZ is not contained in any mark in the field except Novartis' ONBREZ mark, and;
(iii) AZ's mark is not yet used in the UK.

61. Further, Mr McCourt Fritz submitted that the mark ONBREZ consists of the ordinary English word "on" together with the coined word BREZ (that may suggest the concept of breathing) and that AZ's marks consist of the same BREZ part combined with TRIO/TREO/TRI being descriptive and non-distinctive. He claimed that, as a result, end users are likely to keep the BREZ part of all the marks in mind, especially so when the high level of care and attention is factored in. Finally, he submitted that where a medical professional is considering replacing the single therapy ONBREZ product with the triple therapy BREZTRI/BREZTRIO/BREZTREO product, they will assume the latter is the triple version of the first leading to indirect confusion.

62. In response, Ms Lane submitted that I must consider the respective marks as a whole and that Novartis' approach is flawed. Ms Lane cautioned against applying the approach to single invented words. Ms Lane referred to the decision of Iain Purvis Q.C., sitting as the Appointed Person, in *KURT GEIGER*, BL O-075-13 and in particular the following:

> "30, I believe that this approach was wrong in principle. It is not necessary to identify one particular element of a mark as being its 'distinctive and dominant

element'. It is right of course that *"in certain circumstances"* there may be such an element which dominates the overall impression of a mark (see the quote from Matratzen above), but that is very often not the case, and even if it is the case it does not absolve the tribunal from the obligation to consider the overall impression given by the marks as a whole.

31. The problem with forcing marks through an Analysis such as that carried out by the Hearing Officer in paragraphs 38 and 39 is that it necessarily involves mentally dividing the mark into its component parts, thus losing the overall impression given by the combination of those parts and by the way in which they are combined. This is not the approach which the average consumer is deemed to take, nor the approach he or she would actually take in real life. When assessing likelihood of confusion, this approach is therefore likely to lead to error."

63. Ms Lane submitted that, in the current case, there is no reason to ask what the distinctive element is because the respective words are both single made up words. I concur (see my earlier comments at paragraph 44).

64. In addition, Ms Lane pointed to the fact that the first parts of the respective marks are different and that the reversal of the position of BREZ within the marks totally changes the impression created by the marks[15]. Ms Lane also pointed to the visual and aural differences that result from this reversal of the position of the BREZ part of the respective marks. I agree with Ms Lane. Novartis' mark consists of a single, invented word that whilst it may be split aurally as submitted by Mr McCourt Fritz, it does not have any conceptual meaning or allusion despite the first two letters ON being the same two letters in the word "on". Such a meaning is lost and is not likely to be perceived by the average consumer, when combined with BREZ, to create an invented word. AZ's marks all consist of BREZ combined with either TRIO, TREO or TRI to also create invented words. In this case, I have recognised that TRIO and TRI may impart an allusion of "three" or "group of three", but this is insufficient to impact upon the perception that the marks are invented words. As Ms Lane submitted, the

[15] As per SOLFRUTA v FRUTASOL, T-331/08 paras [17] – [19]

reversal of the position of BREZ within the marks changes the impression created by the marks.

65. Taking all of this into account, I reject Mr McCourt Fritz's submission and I conclude that the similarity between the marks does not result in the case falling into either the first or second of the categories identified in *L.A. Sugar*. The earlier mark is ONBREZ and it is this mark that identifies Novartis' goods and not BREZ. This is significant because, the consumer familiar with ONBREZ, upon encountering BREZTRIO/BREZTREO/BREZTRI, is likely to put the common occurrence of the letters BREZ down to coincidence. Contributing to such a perception is the fact that it is only part of the earlier mark that is reproduced in the later marks and even then it appears at the beginning of the marks rather than at the end, as in the earlier mark. The letters BREZ, when incorporated into the invented words, are less distinctive than if used alone. Taking all of this into account, I find that AZ's marks are not caught by the first category of goods identified in *L.A. Sugar*. The fact that AZ's marks function as invented words is sufficient to avoid being caught in the second category in *L.A. Sugar*. Ms Lane submitted the medical professionals are trained not to muddle up product names that often refer to the active ingredient. I have no evidence of this but I concur that an increased level of care and attention will contribute to a lesser likelihood of confusion rather than a greater likelihood as Mr McCourt Fritz suggests.

66. The letters ON are absent in AZ's marks and the TRIO/TREO/TRI suffixes are absent in Novartis' mark and, further, the position of the BREZ letters is different in the respective parties' marks. Further, Novartis' mark consists of only a single element, namely, the invented word ONBREZ. It will be perceived as such when encountered by the relevant consumer The fact that the letters ON coincide with the word "on" is lost when combined with BREZ to create an invented word. To split such an invented word and to use the suffix as the prefix in another invented word does not strike me as being entirely logical and consistent with brand extension. I conclude that the case before me does not fall into the third category identified in *L.A. Sugar*.

67. These may not be an exhaustive list of categories where a likelihood of indirect confusion may exist but other than a claim of an industry practice to re-use elements of marks in later marks using the same active ingredients, something I have already dismissed, no other reason has been put before me.

68. Taking all of the above into account, I agree with Ms Lane and find that the claim to a likelihood of indirect confusion fails when taking account of the overall impression created by the respective marks.

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69. I have found that:

- The respective marks share visual similarity between low and medium, a low level of aural similarity and no conceptual similarity;
- the distinctive character of Novartis's BREZILIZER mark is slightly less than for its ONBREZ mark but as an invented word, it is still endowed with a good level of distinctive character.

70. My findings regarding the similarity of goods, the average consumer and the nature of the purchasing act are the same as identified when considering likelihood of confusion with Novartis' ONBREZ mark.

71. Both parties' marks all begin with the same prefix BREZ but have different suffixes. Mr McCourt Fritz submitted that BREZ has a greater impression than the other elements in all the marks because:

- "-ILIZER" is non-distinctive because it is allusive of "nebulizer", and;
- "-TRIO", "-TREO" and "-TRI" are all allusive of "three" that is meaningful in respect of triple therapy products.

72. Ms Lane submitted that Mr McCourt Fritz's approach arbitrarily splits the marks.

73. In respect of the likelihood of confusion with AZ's BREZTRIO and BREZTRI marks, I recognise that TRI is a prefix referring to "three" and that TRIO is a word meaning "group of three". When TRIO/TRI is incorporated into the end of an invented to create BREZTRIO and BREZTRI they may not indicate three or a group of three to all consumers, however, I accept that many consumers may see such an allusive meaning. The concept created by the letters "-ILIZER" in Novartis' mark is likely to be that of a nebulizer. This is particularly so when the mark is used in respect of the sub-group of pharmaceutical preparations of particular interest to both parties, namely, pharmaceutical therapies for asthma/COPD that may be delivered by a nebulizer

74. Novartis has provided evidence[16] illustrating that these therapies can be single, double-combination or triple-combination. It is Novartis' position that the suffix of AZ's marks will be perceived as a reference to a triple-combination therapy. In line with this position, at the hearing, Mr McCourt Fritz submitted that it is common practice in the field to (i) take parts of marks and combine them with parts of other marks when developing new products and (ii) that both "-ILIZER" and "TRI"/"TRIO" are meaningful in the field. He submitted that, as a consequence, the medical professional will believe that goods provided under the respective marks will originate from the same or linked undertaking.

75. I have already found that the evidence does not support the first of these submissions but this is not fatal to Novartis' case. Even in the absence of a finding that it is common practice to take parts of marks and combine them with parts of other marks when developing new products, the fact that the prefix of the respective marks in the same four letters is BREZ is a relevant factor in my considerations. I agree with Mr McCourt Fritz in respect of his second submission. Despite being invented words, the average consumer will try to make sense of the words[17] and in doing so is likely to identify the allusive suffix of these marks and attribute the concepts identified above. In doing so, the prefix of the respective marks i.e. BREZ- will take on a greater importance and its presence will be perceived as more than

[16] Ms Valvason's witness statement, paras 3 – 10 and Exhibits 4 - 8
[17] See, for example, Usinor SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-189/05 at para 62

just coincidence. Therefore, a consumer familiar with the BREZILIZER mark will, upon encountering the BREZTRIO/BREZTRI marks, be likely to notice the common first part and assume that the respective goods originate from the same or linked undertaking.

76. In reaching this conclusion, I keep in mind that I must consider the overall impression created by the marks and that despite the respective suffixes being allusive of different concepts they are, nonetheless, relevant concepts in the field. When considering single words, the existence of the same prefix can be sufficient to lead the average consumer to believe that the goods sold under the respective marks originate from the same or related undertaking.

77. The broad terms in both parties' list of goods include pharmaceutical therapies that may (i) be delivered by a nebulizer and (ii) be in the form of triple-therapy products. Therefore, it is clear that the suffixes in the respective marks may function in an allusive way to a significant number of the relevant public when used in respect of pharmaceutical therapies for asthma/COPD. I conclude that there is a likelihood of indirect confusion between BREZILIZER and BREZTRIO and BREZTRI. It is possible that the considerations here could fall into both the first and second categories identified in *L.A. Sugar*.

78. In respect of the likelihood of confusion between BREZILIZER and BREZTREO, it is less clear to me that the UK consumer will perceive any allusiveness to "three" in AZ's mark. There is nothing before me to illustrate that TREO is understood as meaning "three" but it is phonetically the same as the English word "trio". With that in mind, when it is combined with the prefix BREZ, I find that it is also is likely to be perceived as being allusive in the same way as the word "trio". It shares the same letters BREZ as Novartis' mark and I recognise that the start of marks may have a greater importance[18]. Taking all of this into account, whilst I also recognise that a finding of indirect confusion should not be made merely because the two marks

[18] See, for example, *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, para 81 - 83

share a common element[19], a finding of a likelihood of indirect confusion extends to this mark also.

79. In summary, I find that the ground based upon section 5(2)(b) succeeds in respect of the earlier mark BREZILIZER.

Section 5(3)

80. Section 5(3) states:

> "(3) A trade mark which-
>
> (a) is identical with or similar to an earlier trade mark, 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 European Union trade mark or international trade mark (EC), in the European Union) 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.

81. Section 5(3A) states:

> "(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected."

82. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors,* Case 252/07, *Intel,* Case C-408/01, *Addidas-Salomon,* Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM.* The law appears to be as follows.

[19] See *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24.*

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; G*eneral Motors, paragraph 26.*

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63.*

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68;* whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79.*

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34.*

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74.*

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure).*

Reputation

83. Novartis relies only on its ONBREZ mark for this ground. I noted earlier that use of Novartis' ONBREZ product can be summarised as follows:

- 40% or more of the single LABA market share in 10 EU states in 2019 and in the six year period ending in 2019, EU sales exceeded $500 million;
- In the same period UK annual sales reduced from $2.2 million to $1.1 million;
- 5% of the UK market share for single therapy LABA treatment of asthma/COPD;

- Promotion is in the form of contact between sales representatives and medical professionals. The amount spent on this has decreased over the five years 2015 – 2019 from $685k in 2016 to just over $250k in 2019.

84. Whilst the single LABA market is a very focussed area of pharmaceuticals, I have little hesitation that the above information supports a finding that ONBREZ has the requisite reputation in that market in the EU.

85. Ms Lane referred to *Sazerac Brands LLC v Liverpool Gin Distillery Ltd* [2020] EWHC 2424 (Ch); [2020] ETMR 62:

> "33 Establishing a reputation for the purposes of article 9(2)(c) is not a particularly onerous requirement, as has often been stated, but it must nevertheless be proved on the basis of some evidence. The enhanced protection afforded by art. 9(2)(c) in a case where the offending sign is used on dissimilar goods or services depends on a sufficient reputation having been established through use. Reputation here is used is the sense of knowledge of the goods, not their repute among those who do know them. …
>
> 35. The parties did not agree whether, as concerns Eagle Rare's reputation, the relevant part of the UK public was (1) that with contact with or exposure to the whisky market generally or (2) that with contact with or exposure more specifically to the bourbon market; nor is this a point that has been expressly decided in any domestic or European authority that the parties' lawyers could find. The Claimants submitted the latter, on the basis that they had only marketed bourbon and so could only have established a reputation for a brand of bourbon. The Defendants submitted the whisky market generally, on the basis that the First Claimant's UK trade mark is registered for the broader specification of "whisky", not "bourbon", as the EU trade mark is. They argued that an attempt to gain wider protection of the mark in the whisky market as a whole meant that a reputation had to be established across that wider market, if reputation was to be invoked, otherwise a claimant could obtain much wider

extended protection for a mark on the basis of a broad specification but narrow use.

36. In my judgment the Claimants are right on this issue, both in principle – where the alleged infringing use is in the narrower class of goods – and as a matter of interpretation of the ruling of the CJEU. Para 24 of the judgment in *General Motors v Yplon* makes it clear that the extent of the reputation that needs to be established depends on the use of the trade mark on products or services actually marketed, and that it is only the part of the public concerned by the actual use of the mark that must have the relevant knowledge of it. The words of para 26 ("the products or services covered by that trade mark"), though capable of being read as a reference to the specification of the trade mark, are not in context making that reference: para 26 explains that only a significant part of the public concerned, as identified in para 24, and not the whole of it, needs to have knowledge of the trade mark. It would be illogical for the owner of the mark to have to prove a reputation in a field in which the mark has not yet been fully deployed, or deployed at all, if all that they were seeking to do was restrain infringement in a narrower field in which the mark had been used. Were the owner of a mark seeking to restrain infringement under article 9(2)(c) that went beyond the scope of the use of the mark then a different conclusion might well be reached, on the basis that reputation on a wider basis needed to be proved to restrain a wider infringement."

86. Ms Lane submitted that it is not permissible for Novartis to rely upon a reputation in specific respiratory products to challenge AZ's broad term *pharmaceutical preparations and substances*. I do not interpret the above guidance in such a way. Rather, it states that where a reputation has been demonstrated in respect of only specific goods then reliance cannot be placed upon a broader term in the specification in which the specific goods fall. It does not go as far as saying that a reputation in specific goods cannot be used successfully to challenge a broad spectrum of goods. For grounds based upon section 5(3) to be successful, it is not necessary that the respective goods are similar (but I recognise it is a relevant factor to take into account). Therefore, it is possible that a reputation in respect of a narrow

range of goods may be successful in respect of a broader range of goods, even where they may be dissimilar. I reject Ms Lane's submission.

87. Ms Lane submitted that, in any case, the use is insufficient to show a reputation in the UK. I disagree. Whilst the reputation may be modest, the ONBREZ product nevertheless has had a reasonable, if decreasing, presence in this focused market for a number of years and medical practitioners in the field are likely to be familiar with the ONBREZ mark. I find that ONBREZ has a modest reputation in the UK in respect of treatments for COPD and asthma.

Link

88. My assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

> *The degree of similarity between the conflicting marks*
>
> I have found that AZ's marks share a very low level of visual and aural similarity and no conceptual similarity to Novartis' ONBREZ mark.
>
> *The strength of the earlier mark's reputation*
>
> As Ms Lane submitted, I must keep in mind that where a reputation is in the EU but outside the UK, it will be harder to show the necessary link[20]. This is because it is necessary to show "*that a commercially significant part of that public is familiar with that mark*"[21] and in this case the relevant public is the UK consumer. In respect of the UK, the evidence illustrates that there is a significantly smaller market share (of 5%) in the same focused market. Further, the sales and promotion of the goods sold under the mark have been decreasing year on year. The In the UK is modest in nature.

[20] *Iron & Smith kft v Unilever NV,* Case C-125/14
[21] Ditto

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

The narrow goods for which Novartis has demonstrated a reputation are included in the broad terms in AZ's applications. Therefore, the respective goods are identical.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

I have found that the earlier mark is endowed with a good deal of inherent distinctive character and that this has been enhanced to some extent in respect of the limited goods where use has been shown.

Whether there is a likelihood of confusion

I have found that there is no likelihood of confusion.

89. As Mr McCourt Fritz submitted the level of similarity required to establish a link is lower than for a finding of Likelihood of confusion. This was established in cases such as *Intra-Presse SAS v OHIM,* Joined cases C-581/13P & C-582/13P.

90. Ms Lane submitted that the similarity between the marks is so low as to not create the requisite link. Despite the fact that the parties' goods are identical the differences between the respective marks are so great that a link is not likely to be made. The common occurrence of BREZ in all the respective marks is diluted by the fact that it occurs at the end of Novartis' mark but at the beginning of AZ's marks and by the fact that there is no similarity in respect of any other part of the respective marks. Therefore, I agree with Ms Lane that the requisite link is not likely to exist.

91. In the absence of any link being established, it is not necessary that I consider the issue of detriment or unfair advantage.

92. If I am wrong and the occurrence of BREZ in AZ's marks is sufficient to bring ONBREZ to mind, it will be no more than a fleeting bringing to mind and is insufficient to lead to any detriment or unfair advantage.

93. In summary, the grounds based upon section 5(3) fail in their entirety.

Summary

94. Novartis' two oppositions and one application for invalidation all succeed and AZ's two applications are refused and its registration is invalidated.

COSTS

95. Novartis has been successful and it is, therefore, entitled to a contribution towards its costs. I take into account that these are consolidated proceedings where the official forms setting out the pleadings were completed virtually identically by both parties. I also take account that only Novartis filed evidence but that AZ filed written submissions and that a hearing took place before me.

96. I award the following sum as a contribution towards the costs of the proceedings, in accordance with TPN 2/2016:

Preparing statements of case and considering counterstatements	£500
Official fees x 3	£600
Preparing evidence and considering AZ's submissions	£550
Preparing for and attending hearing	£700
TOTAL	**£2350**

97. I, therefore, order AstraZeneca AB to pay Novartis AG the sum of £2350. The above sum should be paid within twenty-one days of the expiry of the appeal period

or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 31st day of March 2021

Mark Bryant
For the Registrar
The Comptroller-General