

TRADE MARKS ACT, 1996

Decision in Hearing

IN THE MATTER OF an application for registration of Trade Mark No. 213120 and in the matter of an Opposition thereto.

FUJISAWA DEUTSCHLAND GMBH
(formerly KLINGE PHARMA GMBH)

Applicant

WYETH
(formerly AMERICAN HOME PRODUCTS CORPORATION)

Opponent

The application

1. On 22 April, 1999, Klinge Pharma GmbH, a limited liability company organised and existing under the laws of Germany, of Berg-am-Laim-Str. 129, 81673 München, Germany (predecessor in title of the Applicant) made application (No. 1999/01340) to register the word AFFEX as a Trade Mark in Class 5 in respect of the following goods:

“Pharmaceutical, veterinary and sanitary preparations.”

2. The application was accepted for registration and advertised accordingly under No. 213120 in Journal No. 1885 on 8 March, 2000.
3. Notice of Opposition to the registration of the mark pursuant to Section 43 of the Act was filed on 6 June, 2000 by American Home Products Corporation of Five Giralda Farms, Madison, New Jersey 07940-0874, United States of America (predecessor in title of the Opponent). The Applicant filed a counter-statement on 15 August, 2000 and evidence was, in due course, filed by the parties under Rules 20, 21, 22 and 23 of the Trade Marks Rules, 1996.
4. The Opposition became the subject of a Hearing before me, acting for the Controller, on 20 March, 2004. The parties were notified on 13 January, 2005 that

I had decided to dismiss the opposition and to allow the application to proceed subject to the Applicant restricting the list of goods covered by it to prescription-only pharmaceuticals. I now state the grounds of my decision and the materials used in arriving thereat.

Notice of Opposition

5. In its Notice of Opposition the Opponent enumerates a number of facts and grounds of opposition, which may be summarised as follows:

- (i) The Opponent is a manufacturer and merchant of a range of goods including pharmaceutical preparations and goods.
- (ii) The Opponent is the proprietor of Irish Trade Mark No. 159577 in respect of the trade mark EFEXOR which is registered in Class 5 for pharmaceutical preparations and substances. The Opponent has used that mark in Ireland and abroad and enjoys a substantial reputation under the mark, which is entitled to protection under the Paris Convention as a well-known trade mark.
- (iii) The mark which the Applicant has applied to register is not a trade mark within the statutory definition; it is not capable of distinguishing the Applicant's goods from those of other traders and is devoid of distinctive character. The mark is therefore disqualified from registration by virtue of the provisions of Section 8(1)(a) and Section 8(1)(b) of the Act.
- (iv) The mark is of such a nature as to deceive the public and registration would offend against the provisions of Section 8(3)(b) of the Act.
- (v) Use of the mark is prohibited in the State by an enactment or rule of law or by a provision of Community law and registration would therefore offend against the provisions of Section 8(4)(a) of the Act.
- (vi) The application for registration was made in bad faith and should be rejected under Section 8(4)(b) of the Act.
- (vii) The mark is similar to the Opponent's earlier mark and is to be registered for goods that are identical with or similar to those in respect of which the Opponent's mark is protected such that there exists a likelihood of confusion on the part of the public and registration would therefore offend against the provisions of Section 10(2)(b) of the Act.

- (viii) The use of the mark for which registration is sought would take unfair advantage of, or be detrimental to, the reputation or distinctive character of the Opponent's earlier mark and registration should be refused under Section 10(3) of the Act.
- (ix) The use of the mark in the State is liable to be prevented by virtue of a rule of law protecting an unregistered trade mark or other sign used in the course of trade and registration should therefore be refused under Section 10(4)(a) of the Act.
- (x) The Applicant has failed to satisfy the requirements of registration in that it does not have a *bona fide* intention of using the mark in relation to all of the goods covered by the application for registration and registration would therefore be contrary to Sections 37(2) and 42(3) of the Act.

Counter-Statement

6. In its Counter-Statement the Applicant denies each and every one of the grounds of opposition raised against the application except that it admits the Opponent's proprietorship of the trade mark EFEXOR although it does not accept that there is any probability of confusion on the part of the public between that mark and the mark that it has sought to register.

The evidence

Rule 20

7. Evidence filed by the Opponent under Rule 20 consisted of a Statutory Declaration (and 7 exhibits) dated 24 August, 2001 of Derek McCormack, Managing Director of John Wyeth & Brother Limited, t/a Wyeth Laboratories of 765 South Circular Road, Islandbridge, Dublin 8, a wholly-owned subsidiary of the Opponent. I regard the following as the significant facts to emerge from Mr. McCormack's Declaration:

- (i) The Opponent's trade mark EFEXOR has been used since 1 October, 1998 in relation to a pharmaceutical for the treatment of depression and anxiety. Since October, 1999 the trade mark EFEXOR XL has also been used in relation to a higher strength formulation of the same product.

- (ii) Pharmaceuticals under the trade marks EFEXOR and EFEXOR XL have been promoted and advertised extensively including through relevant trade journals, launch meetings, promotional mailings and sponsorships.
- (iii) The value of sales of EFEXOR and EFEXOR XL pharmaceuticals has increased significantly since the initial launch, amounting to almost £3 millions in the year 2000.

Rule 21

8. Evidence filed by the Applicant under Rule 21 consisted of a Statutory Declaration (and 2 exhibits) dated 3 December, 2001 of Dr. Gerhard Schneider, Head of Marketing International of Klinge Pharma GmbH. Dr. Schneider says that his company commenced use of the mark AFFEX in the State in February, 2000 and that the mark has been used in relation to prescription-only pharmaceutical products for the treatment of depressive illnesses. Sales in the year 2000 totalled over 15,000 packs (each containing 30 capsules) valued at €244,000 and, in 2001, they amounted to over 19,000 packs valued at €319,000. The mark has been advertised in the trade publication *Medicine Weekly* (on 10 January, 2001) and a promotional leaflet has been produced.

Rule 22

9. Evidence filed by the Opponent under Rule 22 consisted of a Statutory Declaration (and 1 exhibit) dated 19 June, 2002 of Egon E. Berg, Vice-President of the Opponent. Mr. Berg states that American Home Products Corporation, which is the proprietor of Trade Mark Registration 159577 in respect of the mark EFEXOR, changed its name to Wyeth (the Opponent) as a result of the merger with and into it by Wyeth Company and he exhibits a copy of a certificate of the Secretary of State of the State of Delaware, United States of America to this effect. The remainder of Mr. Berg's Declaration is taken up with comments on the merits of the present opposition and I do not need to go into it further here.

The hearing

10. At the Hearing the Opponent was represented by Jacinta Heslin, BL instructed by Tomkins & Co., Trade Mark Agents and the Applicant by Jonathan Newman, BL instructed by F.R. Kelly & Co., Trade Mark Agents. While not formally

abandoning any of the grounds of opposition raised against the application, Ms. Heslin confined her submissions to those under Sections 8(4)(b) [*bad faith in the making of the application*], 10(2)(b) [*similarity of marks, identity of goods and consequent likelihood of confusion*] and 10(4)(a) [*right to prevent use through action for passing off*]. In response, Mr. Newman contended that the Applicant should not have to answer the bad faith charge in circumstances where the Opponent had not given full particulars of the basis on which it was advanced nor filed any evidence suggesting that the application had been made in bad faith. Ms. Heslin countered that the Opponent could not be expected to file evidence proving facts that are outside of its knowledge (e.g., as to how the Applicant came to adopt a trade mark similar to one which it must have known was already in use by the Opponent in relation to an identical product); it was for the Applicant to deny and disprove the allegation of bad faith once the charge had been raised and a *prima facie* case existed, which, in her opinion, it did in this case. Following some legal argument on the point, I agreed to a proposal made by Mr. Newman, and accepted by Ms. Heslin, that the proceedings stand adjourned to allow the Applicant to put in evidence under Rule 23 as to the following matters:

- (i) whether the Applicant was aware of the Opponent's mark EFEXOR at the time that it adopted its mark AFFEX,
- (ii) whether the Applicant considered the possibility that the two marks might be confused,
- (iii) what the motivation of the Applicant in adopting the mark AFFEX was, and
- (iv) how the Applicant came to choose the mark AFFEX for its products.

Further evidence

Applicant's evidence under Rule 23

11. The evidence filed by the Applicant in this latter regard consisted of a Statutory Declaration dated 7 July, 2004 of Barry O'Sullivan, Sales & Marketing Manager of the Applicant. I would summarise Mr. O'Sullivan's responses to the questions agreed by Counsel at the hearing and referred to in the immediately preceding paragraph as follows:

- (i) The Applicant was aware of the Opponent's product sold under the name EFEXOR when it adopted the trade mark AFFEX.
- (ii) While the Applicant did not specifically consider the possibility of confusion between the marks AFFEX and EFEXOR, it questioned itself as to whether any trade mark (including EFEXOR) might be confused with AFFEX and satisfied itself that none would. In that regard, the Applicant was aware of the fact that the Irish Medicines Board might reject the name if it considered it to be too similar to that of an existing product and the Applicant was conscious of the financial implications that any such rejection would have for its business.
- (iii) The adoption by the Applicant of the trade mark AFFEX was in keeping with its practice of naming products by reference to the "therapy area" to which the relevant products relate. So, for example, its trade mark SYSTEPIN comes from the word "systole" relating to the contraction of the heart and its trade mark ULCID relates to ulceration of the gastrointestinal tract. AFFEX was chosen because the relevant product is used for the treatment of affective disorders and the suffix EX is intended to indicate the easing or passing of the condition.
- (iv) The name AFFEX was adopted following consideration of the matter by the Applicant's General, Marketing and Sales Management and by its Medical Director and "regulatory personnel".

Opponent's evidence under Rule 23

12. Following the filing of the Applicant's evidence under Rule 23, the parties were asked to indicate whether they wished to have the oral hearing re-opened or to have the matter decided on the basis of the evidence already filed and the arguments presented at the hearing on 20 March, 2004. In response, the Opponent requested, and was granted, leave to file evidence under Rule 23 for the purpose of "*dealing with some of the points raised*" in the Applicant's evidence under that Rule. The evidence in question consisted of a Statutory Declaration dated 10 November, 2004 of Emmet Browne, Country Manager of John Wyeth & Brother Limited, t/a Wyeth Pharmaceuticals of M50 Business Park, Upper Ballymount Road, Walkinstown, Dublin 12, a wholly-owned subsidiary of the Opponent. Not surprisingly, he disagrees with some opinions expressed by Mr. O'Sullivan in his

Statutory Declaration. I have not previously referred to those opinions because I do not regard them as constituting evidence that I should take into account and nor do I propose to refer further to Mr. Browne's rebuttal of them.

The issues

13. While a wide range of grounds of opposition to the registration of this mark were cited in the Notice of Opposition, only three were canvassed at the hearing (see paragraph 10 above). The Opponent says that it does not abandon the remaining grounds but the fact is that it is required to substantiate those grounds by some evidence or argument if it wishes to press them. No such evidence or argument has been advanced in support of the objections under Sections 8(1)(a), 8(1)(b), 8(3)(b), 8(4)(a), 37(2) and 42(3) of the Act and I dismiss the opposition under each of those Sections without further ado. Nor has the Opponent shown that its trade mark EFEXOR had the requisite reputation in the State as of the date of filing of the present application to ground an objection under Section 10(3) of the Act and the opposition based on that Section must also fail.

14. There remain, therefore, only the objections that were argued at the hearing, viz., those based on Sections 8(4)(b), 10(2) and 10(4)(a) of the Act.

Section 8(4)(b) – was the application for registration made in bad faith?

15. Section 8(4)(b) of the Act provides that a trade mark shall not be registered “*if or to the extent that the application for registration is made in bad faith by the applicant*”. The Opponent's argument on this point, as put forward by Ms. Heslin at the hearing, is to the effect that the Applicant, knowing of the Opponent's trade mark EFEXOR, adopted the trade mark AFFEX for use in relation to an identical product with a view to taking advantage of the investment made by the Opponent in its mark. That advantage would be gained if persons who had heard of, or been recommended, the Opponent's product were to subsequently choose the similarly-named product of the Applicant in the mistaken belief that it was the Opponent's. Notwithstanding that I agreed to adjourn the hearing to allow the Applicant to file evidence setting out the circumstances in which it came to adopt the trade mark AFFEX and the reasons for its adoption of that mark, I am not satisfied that the Opponent's argument on this point establishes a *prima facie* case of bad faith in

the making of the application. The proposal for the filing of evidence by the Applicant for the purpose of disproving the bad faith charge was made at the hearing on behalf of the Applicant and accepted on behalf of the Opponent. In light of the agreement between the parties' representatives on the point, I was prepared to afford the Applicant the opportunity of definitively rebutting the quite serious allegation that it had sought to appropriate a competitor's goodwill by adopting a deceptively similar mark for its competing products. I am not certain that it was necessary for the Applicant to do so given the absence of any concrete evidence from the Opponent and I believe that I would have reached the same conclusion on the question if I had been required to decide it based only on the evidence available at the time of the hearing, i.e., prior to the filing of evidence under Rule 23. In light of the latter evidence, I am completely satisfied that the Applicant's adoption of the trade mark AFFEX was entirely *bona fide* and that the application for registration was not made in bad faith.

16. A charge of bad faith is a very serious allegation for an Opponent to make against an Applicant for registration of a mark and it is one that should not be made lightly. When an Opponent alleges bad faith on the part of an Applicant the onus is on the Opponent to give full particulars of the allegation, specifying the facts on which he relies in support of it. If he does so, the onus then shifts onto the Applicant and it is certainly the case that an Applicant who fails to file evidence disproving the charge is liable to have his application refused. That was the approach taken by O'Sullivan J in the High Court in the *DIESEL* case, [2000] 1IR 577, in which he stated,

“Once, however, a charge of lack of bona fides was made against the plaintiff, there could be no doubt in my mind that such a charge required refutation.”

17. It has to be recalled, however, that the *DIESEL* case concerned an application for registration of a mark that was identical to that of another party in relation to goods that were identical to those in relation to which the other party used its mark. In addition, there was evidence in the case suggesting that the Applicant had used the mark in advertising its goods in such a way as to suggest that the

goods enjoyed an international reputation when, in fact, any such reputation under the mark attached to the Opponent. In those circumstances, it is not surprising that a *prima facie* charge of bad faith was found to have been made out and that the Applicant's failure to adduce evidence refuting it was regarded in the way that it was by the learned judge. A similar situation arose in the context of Trade Mark Application No. 200133 (1994/02088), *LITTLE CAESARS* in Class 42. In that case, bad faith was alleged against the Applicant on the basis of its adoption of the Opponent's highly distinctive mark in relation to services that were the same as those offered by the Opponent and in light of circumstantial evidence to suggest that at least one of the Directors of the Applicant company was familiar with the Opponent's use of, and reputation under, the mark. Acting for the Controller, I concluded, in the absence of a satisfactory explanation from the Applicant as to the circumstances of its adoption of the mark, that the Applicant's adoption of the mark was in bad faith and that the application for registration should be refused accordingly.

18. In my view, the facts of the present case are quite different from those of the cases just mentioned. The mark propounded for registration here is not the same as the Opponent's earlier mark and no factual evidence has been adduced of anything that the Applicant has ever done in the course of trade that might suggest that it has sought to trade off the Opponent's claimed reputation in its trade mark EFEXOR. In essence, the Opponent is saying that the adoption by its competitor of a trade mark that bears some similarity to one already in use by the Opponent cannot but be an act of bad faith! That is a long way from the assessment of what might constitute bad faith made by Lindsay J in the *Gromax* case in the High Court of England and Wales [1999] RPC 367, in which he stated,

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined."

19. The Opponent has not shown that the Applicant has acted in any way dishonestly in adopting the mark AFFEX and nor has it given evidence of any acts of the

Applicant that might be regarded as falling short of normal standards of acceptable commercial behaviour, objectively assessed. The Applicant has chosen to give a full explanation of the reasons for its adoption of the trade mark and I regard that explanation as perfectly credible and the Applicant's actions as above reproach. For these reasons, I find that the charge of bad faith is not proven and I dismiss the opposition to registration under Section 8(4)(b) of the Act accordingly.

Section 10(2)(b) – is there a likelihood of confusion on the part of the public?

20. Section 10(2)(b) of the Act reads as follows:

“A trade mark shall not be registered if because –

(b) it is similar to an earlier trade mark and would 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 of the later trade mark with the earlier trade mark.”

21. The criteria against which the likelihood of confusion between marks should be assessed have been set out in a number of decisions of the European Court of Justice¹ in this area. It is now well established that an overall assessment must be made having regard to, *inter alia*, the degree of similarity of the respective marks and the respective goods, the degree of distinctiveness of the earlier mark, the overall impression created by the marks, the circumstances of the trade in the relevant goods and the likely perception of the average consumer of those goods.

Comparison of the marks

22. The marks in question are AFFEX and EFEXOR and it is true to say that, as in virtually every case of opposition under Section 10 of the Act, those marks share a number of similarities but also differ in a number of respects. At the hearing, Counsel for each of the parties undertook a comprehensive analysis of the respective marks, the one focussing on their common elements and the other

¹ For example, see *Lloyd Schuhfabrik Meyer & Co. GmbH –v- Klijsen Handel BV* (Case C-342/97) [1999] 2 CMLR 1343

highlighting their differences. Such analyses are inevitable when one comes to compare marks in the context of an assessment of the likelihood of confusion between them and, for my part, I have had regard, in particular, to the following aspects:

- the inclusion in each mark of the strong “FEX” syllable, which creates visual and aural similarity,
- the resemblances of the marks to the words “affects” and “effects”, respectively, and the fact that those words, while different in meaning, are connotatively similar and are frequently erroneously used interchangeably in written communication,
- the different first letters, and
- the strong “OR” ending of the Opponent’s mark, which is not replicated in the Applicant’s.

23. Having said that, I am conscious of the fact that it is not the practice of consumers to analyse marks in this way and that the likelihood of confusion must be appreciated by reference to actual market conditions in which the overall impression created by a trade mark is really what determines the consumer’s recollection of it and, as a consequence, his propensity to mistake another mark for it. As stated by Evershed J in the *Smith Hayden & Co. Ltd.* application [1946] RPC 97,

“When all is said, the question is in truth one of first impression, on which no doubt different minds may reach different conclusions. It is not profitable in such a case to indulge in minute analysis of letters and syllables, a process, indeed, notoriously productive of confusion in regard to words.”

24. So, having regard to the particular elements of which these marks are composed but recalling also the importance to be attached to overall impressions, what then is the degree of similarity between the marks AFFEX and EFEXOR? In my view, it is moderate in that it is neither particularly low nor particularly high. For every point of similarity between the marks there is a point of dissimilarity of roughly

equivalent importance and, as regards the overall impressions created by the marks, I cannot say that these are entirely dissimilar but neither are they very similar. In the circumstances, I think that I must treat the marks as moderately similar for the purposes of the assessment of the likelihood of confusion.

Comparison of the goods

25. The Opponent's earlier trade mark is registered in Class 5 in respect of "pharmaceutical preparations and substances". The goods of the present application are as set out at paragraph 1 above, viz., "pharmaceutical, veterinary and sanitary preparations" in Class 5. The evidence has shown that, in fact, both marks are used in relation to identical products, being pharmaceuticals for use in the treatment of depressive illnesses. The respective products of the parties are each "reuptake inhibitors" and, while they appear to have different active ingredients, they are identical goods and must be treated accordingly for the purposes of the assessment of the likelihood of confusion.

Distinctiveness of the earlier mark

26. It is established that the more distinctive a mark is, whether inherently or because of the use made of it, the more likely it is that there will be confusion if a similar mark is subsequently used in relation to similar goods². In the present case, the Opponent's mark EFEXOR is an invented word, which does not allude to or otherwise describe the relevant goods and, as such, must be regarded as an inherently distinctive trade mark for those goods. The evidence shows that it was in use for approximately only 6 months prior to the date of filing of the present application (the relevant date) and I am not inclined, therefore, to regard it as having acquired substantial additional factual distinctiveness based on the use made of it.

The circumstances of the trade and the average consumer

27. The goods in relation to which the respective marks are used are prescription-only pharmaceuticals and the persons to whom products marketed under the marks are primarily addressed are, therefore, medical doctors and pharmacists. Such persons

² Sabel BV –v- Puma AG and Rudolph Dassler Sport (Case C-251/95) [1998] 1 CMLR 445 – paragraph 24.

may be expected to exercise great care in the selection and dispensing of medicines. In addition to brand names, they would have regard to such matters as active ingredients, dosage amounts and dosage frequency and they would give advice and information to the ultimate consumers of the relevant products in relation to those matters.

28. I am, of course, conscious of the fact that the specification of goods covered by the present application for registration extends beyond prescription-only pharmaceuticals and that the goods in respect of which the Opponent's mark is registered are not limited to prescription-only pharmaceuticals either. The Opponent's registration covers pharmaceutical preparations and substances generally while the Applicant seeks registration in respect of pharmaceutical, veterinary and sanitary preparations generally. It might be argued that I should assess the likelihood of confusion between the marks in the context of the entire range of the relevant goods and that I should, for example, speculate as to what might happen if each mark were to be used in relation to, say, an analgesic that could be selected for purchase from a supermarket shelf, i.e., in circumstances of trade that are very different from those that obtain in respect of prescription-only drugs. In my view, that would be an artificial and unnecessary exercise in the light of the facts of this case as established by the evidence of the parties. The fact is that the Applicant uses its mark on prescription-only drugs designed for the treatment of affective disorders and I have no doubt that, despite the way in which its application is framed, it intends to use its mark only on those goods. That being the case, it is sufficient for me to consider the likelihood of confusion in the context of the use of the Applicant's mark on those goods only and, if appropriate, to require that the specification of goods covered by the application be limited accordingly prior to the application proceeding further.

Likelihood of confusion

29. In light of the foregoing, I am satisfied that the question to be decided in the present case may be expressed as follows: If the Applicant uses the mark AFFEX as a trade mark for prescription-only pharmaceuticals for the treatment of affective disorders, is there a likelihood that the products so marked will be confused by doctors or pharmacists with the identical products sold by the Opponent under the

trade mark EFEXOR or that those persons will associate the Applicant's products with those of the Opponent such that they will be led to believe that there is some commercial connection between the two? Having regard to the fact that the respective marks are only moderately similar and notwithstanding that the Opponent's mark is a distinctive trade mark, I consider that the level of care that may be expected to be applied by the relevant professional persons in the selection and dispensing of the goods in question makes it unlikely that any such confusion will arise. I think that to conclude otherwise would be to assume a degree of carelessness on the part of the persons to whom the respective trade marks are addressed which could not reasonably be expected of such persons. I find therefore that the objection to registration under Section 10(2)(b) of the Act is not supported and, subject to the Applicant restricting the list of goods covered by the application to prescription-only pharmaceuticals, I dismiss the opposition to registration under that Section.

Section 10(4) – is the use of the mark by the Applicant liable to be prevented by virtue of the law of passing off?

30. Section 10(4)(a) of the Act reads as follows:

“A trade mark shall not be registered if, or to the extent that, its use in the State is liable to be prevented –

(a) 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,”

31. The three essential ingredients in an action for passing off are reputation, misrepresentation and damage. As regards reputation, the Opponent has given evidence of having commenced use of its trade mark EFEXOR approximately seven months prior to the date of filing of the present application (the relevant date) and of having promoted the mark and achieved significant sales. I would accept that evidence as establishing *prima facie* that the Opponent had the requisite reputation to ground an action for passing off.

32. As to whether the use by the Applicant of the trade mark AFFEX in relation to identical products would constitute a misrepresentation that the products in question were those of the Opponent and whether the Opponent would be likely to suffer damage as a result, I have effectively already considered these questions in the context of the opposition under Section 10(2)(b) of the Act. I have found that the use by the Applicant of its trade mark would not be likely to lead to confusion and it follows that I cannot envisage any damage to the Opponent arising from such use. Nor would I accept that the Applicant's use of the mark AFFEX could, of itself and without evidence of other deceptive or misleading practices, be characterised as a misrepresentation as to the origin of the marked products. In my opinion, the Opponent has not shown that the use by the Applicant of the trade mark propounded for registration would, as of the relevant date, have been liable to be prevented under the law of passing off. The opposition under Section 10(4)(a) is therefore not supported and I dismiss it accordingly.

Tim Cleary
acting for the Controller
21 February, 2005