

O/0789/24

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

**IN THE MATTER OF TRADE MARK APPLICATION
NO. UK00003765450 BY
SHASHI KIRAN GOSSAIN
TO REGISTER THE TRADE MARK:**

ACNEX

IN CLASS 3

AND

**OPPOSITION THERETO
UNDER NO. 435082
BY FARMINA SP. Z O. O.**

**AND IN THE MATTER OF REGISTRATION
NO. UK00918097789
IN THE NAME OF FARMINA SP. Z O. O.
FOR THE MARK:**

ACNEX

**AND AN APPLICATION FOR A DECLARATION OF INVALIDITY
THERETO UNDER NO. 505536
BY PHARMACLINIX LTD**

BACKGROUND & PLEADINGS

1. Shashi Kiran Gossain, who is the founder and managing director of Pharmaclinix Ltd,¹ (“**Pharmaclinix**”), applied to register the trade mark under application no. UK00003765450 shown on the front page of this decision in the United Kingdom on 14 March 2022. It was accepted and published in the Trade Marks Journal on 3 June 2022 for the following goods:

Class 3: Skincare Cosmetics.

2. On 19 July 2022, Farmina sp. z o. o. (“**Farmina**”) opposed the application on the basis of Sections 5(1) and 5(2)(a) of the Trade Marks Act 1994 (“**the Act**”)². Farmina relies upon the following mark:

Trade Mark no.	UK00918097789 (‘789) ³
Trade Mark (Series of two)	ACNEX
Goods for which the mark is registered	Class 3: Cosmetics; Toiletries; Perfumes. Class 5: Medicine; Pharmaceuticals; Hygienic preparations and articles; Dietary supplements for humans; Food supplements; Medical preparations.
Filing date	19 July 2019
Date of entry in register	27 November 2019

¹ Witness statement of Shashi Kiran Gossain.

² The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK’s withdrawal from the EU.

³ On 1 January 2021, the UK left the EU. Under Article 54 of the Withdrawal Agreement between the UK and the EU, the UK IPO created comparable UK trade marks for all right holders with an existing registered EUTM. As a result, the opponent’s earlier EUTM was automatically converted into a comparable UK trade mark. Comparable UK marks are now recorded on the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and the original filing dates remain the same.

3. For the purpose of this opposition, Farmina relies on some of its goods as follows:

Class 3: Cosmetics; Toiletries; Perfumes.

Class 5: Medicine; Pharmaceuticals; Hygienic preparations and articles; Medical preparations.

4. Pharmaclinix filed a counterstatement denying the claims made.
5. On 7 November 2022, Pharmaclinix Ltd (for ease of reference “Pharmaclinix”) filed an application to have the ‘789 mark declared invalid under the provisions of Section 5(4)(a) of the Act, which are relevant in invalidation proceedings under Section 47 of the Act.
6. Under Section 5(4)(a) of the Act, Pharmaclinix relies upon the sign ACNEX which it claims to have used throughout the UK since 2005 in relation to “*skincare, cosmetics, acne creams, moisturisers*”. It claims that use of the ‘789 mark would be contrary to the law of passing off.
7. Farmina filed a counterstatement denying the claims made.
8. On 28 April 2023, the Registry wrote to the parties directing that these cases be consolidated pursuant to Rule 62(1)(g) of the Trade Marks Rules 2008 (“the Rules”) and that the opposition would be the lead file.

Papers Filed and Representation

9. Pharmaclinix filed evidence in these proceedings. This comes in the form of a witness statement from Shashi Kiran Gossain. Her witness statement is dated 27 June 2023 and consists of seven Exhibits (SKG01-07).
10. Farmina filed evidence in these proceedings. This comes in the form of a witness statement from Marcin Ożóg, the representative of Farmina in these proceedings. His witness statement is dated 20 September 2023

and consists of 12 Exhibits (FM01-FM12). Farmina also filed written submissions dated 20 September 2023.

11. Both parties filed submissions in lieu of a hearing.
12. I have taken the evidence and submissions into account in reaching my decision and will refer to them below, where necessary.
13. No hearing was requested and so this decision is taken following a careful perusal of the papers.
14. In these proceedings, Pharmaclinix is represented by Murgitroyd & Company and Farmina by Marcin Ożóg.

DECISION

My Approach

15. As Farmina's ability to rely upon the '789 mark in the opposition is dependent upon the success or failure of Pharmaclinix's invalidity claim, I will assess the invalidation first, returning to the opposition, once I have established whether the '789 mark is valid or not.

The Invalidation

16. Section 5(4) of the Act has application in invalidation proceedings pursuant to Section 47 of the Act, which states that:

“[...]”

(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

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

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

[...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(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.”

17. The invalidation application is based specifically on Section 5(4)(a) of the Act which states that:

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

(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, where the condition in subsection (4A) is met,

[...]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

18. Subsection (4A) of section 5 of the Act states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

19. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon case (Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a *substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

20. ‘Halsbury’s Laws of England Vol. 97A’ (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

“Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation among a relevant class of persons; and

- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon,
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

The Relevant Date

21. I must first determine the relevant date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC (as he then was), as the Appointed Person, considered the relevant

date for the purposes of Section 5(4)(a) of the Act where one or both of the parties have used the mark at issue prior to the date of the application to register the contested mark. He explained that:

“41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom’s TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user’s mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: “date of commencement of the conduct complained of”. If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if

there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.”

22. In *Smart Planet Technologies, Inc. v Rajinda Sharma* [BL O/304/20], Mr Thomas Mitcheson QC (as he then was), as the Appointed Person, pointed out that “*the start of the behaviour complained about*” is not the same as the date that the user of the applied-for mark acquired the right to protect it under the law of passing off. Rather, it is the date that the user of that mark committed the first external act about which the other party could have complained (if it knew about it) as an act of actual or threatened passing off. Typically, this will be the date when first offer was made to market relevant goods or services under the mark. However, it could also be the date the first public-facing indication was made that sales were proposed to be made under the mark in future. If the user of the applied-for mark was not passing off at the time such use commenced (usually because no one else had acquired a protectable goodwill under a conflicting mark at that time), he or she will not normally be passing off by continuing to use the mark.
23. The ‘789 mark in suit was applied for on 19 July 2019, and that filing date is the relevant date. However, if Farmina had used its trade mark prior to this date then this use must also be taken into account. It could, for example, establish that Farmina is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that Farmina’s use would not be liable to be prevented by the law of passing-off – the comments in *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

24. I note that it is highlighted in the witness statement of Mr Ožóg that “products related to skincare and cosmetics [...] are manufactured and sold by Farmina sp. z o. o. since at least 2002”. Although Farmina provided evidence (Exhibits FM01-FM12) in this case, this falls short of showing use of its mark before the filing date. I note that the evidence primarily consists of screenshots from third-party seller websites which either are undated or show a print date of 20 September 2023. Additionally, several screenshots feature non-UK websites, such as Exhibits FM09 and FM11. At this point, I note that it is use in the UK that is relevant, as Thomas Mitcheson QC (as he then was), sitting as the Appointed Person, in *CASABLANCA*, BL O-349-16, noted:

“I accept that the type of use which is alleged to amount to antecedent use must be assessed carefully. Some of the factors referred to are clearly relevant – nondistinctive use, use on different goods and use outside the UK would rarely give rise to antecedent rights.”

25. Based on the evidence before me, I find that Farmina has not shown antecedent use and that the relevant date for assessing whether the opponent had protectable goodwill is the date of application for the contested mark: 19 July 2019.

Goodwill

26. Pharmaclinix must show that it had goodwill in a business at the relevant date and that the sign relied upon is associated with, or distinctive of, that business.

27. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217, at paragraph [224]:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in

custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

28. In *Smart Planet Technologies, Inc. v Rajinda Sharma* (BL O/304/20), Mr Thomas Mitcheson QC (as he then was), as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“[...] a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

29. Before my assessment of the evidence, I note that Farmina in its submissions in lieu challenged the relevance and the quality of the evidence, stating as a general remark the following:

“The evidence confines to exhibits listed as the Witness Statement of Shashi Kiran Gossain, each these exhibits being only briefly commented by Ms Gossain, which comments confine to inform, what is shown in the Exhibit but not, what is the meaning of this exhibit in the circumstances of the case, in particular how the Exhibits or information provided therein contribute to development of goodwill, if any. It is unclear, what Cancellation Applicant aims to achieve by presenting these Exhibits, as he himself does not venture to explain

their nature, meaning, purpose in greater details although he could have done this or at least apply for oral hearing in the case. For example, it is presented “[e]vidence of the mark used in respect of the goods covered by the prior unregistered trade mark during the relevant period [...] shown at Exhibit SKG01 through extracts from the Wayback Machine.” – but what is shown in these extracts? why are they relevant at all for this case? This is not explained and can only be guessed.” [sic]

I bear these comments in mind when looking at Pharmaclinix’s evidence.

Pharmaclinix’s Evidence

30. In her witness statement, Ms Gossain posits that her company, i.e. Pharmaclinix in these proceedings, “was first established in the UK in 2005 and has provided skincare cosmetics and devices since the Company was established. [It] has, through longstanding use, exclusive rights to use the unregistered trade mark ACNEX in relation to skincare and cosmetics.”
31. Exhibit SKG01 consists of screenshots from *chemistdirect.co.uk* and *amazon.co.uk* websites dated from 2014 to 2016, retrieved via the Wayback Machine.⁴ These screenshots illustrate the listing of the 'PharmaClinix Acnex Clear Oil Face Cream' product for sale. I note that based on user reviews⁵ and additional product information⁶, it can be inferred that this product was made available as early as 2012. However, no level of sales associated with these websites are provided.
32. Pharmaclinix gives no overall UK sales figures, or the market share it possesses for goods sold under the earlier sign. However, Exhibit SKG02 consists of 116 example invoices dated between 2011 and 2022 showing

⁴ I note that the dates are part of the URL of the Wayback Machine shown at the top of each page.

⁵ See Exhibit SKG01 page 2.

⁶ See Exhibit SKG01 page 9.

sales to various retailers (some of which appear more than once), such as pharmacies, in the UK, including Havant, Kent, Oldbury, Birmingham, Manchester, Leeds, Normanton, Leicester, Sheffield, and a great number of invoices addressed to retailers in London. In addition, the amounts are redacted, and no total of these sales is provided. However, the said invoices show the total volume of sales of over 2,000 units (between 2011 and the relevant date). The ACNEX sign appears as the name of the product sold on all invoices from 4 January 2011, apart from the invoice dated 1 November 2011. Moreover, some invoices indicate the use of the said sign in conjunction with other word elements, namely ACNEX Clear and ACNEX Face Mask. However, even in such cases, the prominent sign is ACNEX, and this is what will be recalled by the public.

33. Exhibit SKG03 consists of printouts of two examples of promotional literature (as shown below). These show skincare products, including goods under the sign ACNEX. Although the dates 29 September 2014 and 25 October 2017 are visible on the printouts, these dates are part of the computer file title and, in my view, do not represent the actual publication dates of the promotional materials. Therefore, the printouts are considered to be undated. In addition, there is no indication as to the extent of use of these promotional materials, e.g. how many were distributed and where. However, I note that the first is likely to have only been available in Birmingham and the second in Leicester, given the addresses of local chemists. Lastly, the sign is used in the relevant pages of the catalogues, as shown in the examples reproduced below.

PharmaClinix
Asian, African & Ethnic Skin

The strongest active ingredients clinically proven to treat Asian & African skin.



Hyperpigmentation

Scar

Acne

For free Consultation & Advice from a Doctor, email your Photos to: Doctor@pharmaclinix.com

Sirpal Chemist
274-276 Ladypool Road
Sparkbrook
Birmingham
B12 8JU

UK's No.1 Professional Skincare Creams



The only specialist advanced skincare developed for Asian & African skin



For free Consultation & Advice from a Doctor, email your Photos to: Doctor@pharmaclinix.com

PharmaClinix
Asian, African & Ethnic Skin
Pharmaclinix.com

Vision Pharmacy
108 Bridge Road,
Leicester
LE5 3QN

PHARMACLINIX

The PharmaClinix® Silver Series is a range of affordable, yet effective cosmeceuticals used to address common Aesthetic skin problems.

Effective skin treatments *pure & simple!*

It offers the best value, without losing the potent efficacy of the carefully researched ingredients!

PharmaClinix Ltd.
Unit 3 Issigonis House,
Cowley Road, London, W3 7UN

PharmaClinix
Advanced Cosmeceuticals

Acnex® Clear
Prevents & clears pimples

Blemish-free skin without harsh chemicals!

- ✓ Prevents pimples
- ✓ Clears pimples
- ✓ Reduces dark pigmentation
- ✓ Strong anti-bacterial
- ✓ Oil free

Prevents & clears acne.

UP TO 70%
REDUCTION of mild acne in 8 weeks

Excellent for:

- ✓ Mild Acne
- ✓ Rosacea
- ✓ Pre-menstrual break-outs
- ✓ Anti-Biotic holidays
- ✓ May be used in conjunction with Antibiotics & Roaccutane

Actives:

- Dioic acid
- Salicylic acid
- Niacinamide

www.PharmaClinix.com



Acnex® Clear
Prevents & clears pimples
50ml

34. Exhibit SKG04 contains a set of example invoices in relation to the creation of advertising materials for the ACNEX sign before the relevant date. Among these, there are two redacted invoices from IXPRINT:

- a. An invoice dated 14 November 2011, depicting the sale of 6 ACNEX Roller Banner Stands.
- b. An invoice dated 21 March 2014, showing the sale of 'Artwork for A3 poster Ref: special offer scar repair/Acnex'.

The remaining invoices are from 'The Design Factory (London) Ltd', all of which are redacted and exhibit the following details:

- a. An invoice dated 26 September 2012, indicating the sale of Acnex Face Mask without further service information.
- b. An invoice dated 18 February 2013, displaying the sale of 'Acnex Poster' with the description 'Artwork amendments for A4 Acnex advert'.
- c. An invoice dated 4 April 2014, presenting the sale of 'A5 Acnex Clear Brochure' with the description 'Artwork for 4pp A5 Acnex booklet'.

While this evidence suggests that advertising activities were in the preparatory stages, it does not clearly indicate how these materials were utilised or in what manner (e.g. promotional campaigns). Nevertheless, I am of the view that this offers some assistance to Pharmaclinix.

35. Exhibit SKG05 contains two examples of dermatological reports dated 13 August 2010 and 3 April 2014 from 'ITA-TEST LABORATORIUM' conducted in Warsaw. These relate to the products 'PharmaClinix Acnex PREVENTS & CLEARS ACNE' and 'PharmaClinix Acnex Peeling Face Mask series 27/2014 of emulsion o/w, pH=1,60'. As to the former product, the report concludes that it "fulfils the requirements imposed on cosmetic

products regarding the safety of human health (European Cosmetic Directive 76/768/EEC, Act on Cosmetics of March 30, 2001 Art. 11 item. 1p.4)". It can also be inferred from the reports that the volunteers involved in the research were not based in the UK. In any event, there is nothing in these reports to identify that they relate to research conducted in the UK or that they would have been seen by the UK public.

36. Online coverage of the sign is provided in evidence with Exhibits SKG06-07. Exhibit SKG06 consists of a series of screenshots from YouTube featuring the following four videos:
- a. 'How to get rid of Acne' dated 17 March 2017, with 2,405 views. The description of the video provides a list of Acnex products while stating that "The best Acne Treatment to clear & prevent acne and pimples. UK's No1 brand for Acne Treatment. Recommended by leading dermatologists."
 - b. 'Pharmaclinix Acnex Cream' dated 19 February 2016, with 2,809 views. Again, in this instance, the 'Acnex Cream' is mentioned in the description of the video.
 - c. 'Pharmaclinix Acnex facial – weekly procedure' dated 6 September 2013, with 4,096 views. The description of the video states: "Acne facial especially developed for Asian skin. Permanent results for Acne treatment. Reduce acne over a six week period. No side-effects, no drugs."
 - d. 'Acne treatment cream' dated 24 November 2015, with 2,571 views. In the description is stated that "Acnex has been formulated after reviewing new and established clinical studies on the most effective ingredients to combat the problems associated with Acne."

Although these videos were released prior to the relevant date, the evidence does not clarify whether the number of views comes from the UK

or global audience. Nonetheless, I note that the products bearing the contested sign had been the subject matter of videos and were available before the relevant date.

37. Exhibit SKG07 consists of screenshots dated 1 June 2014 from the *beautebeauty.blogspot.com* website, demonstrating a user review of the 'PharmaClinix Acnex Cream'. The review gives a detailed account of the product, highlighting that it is a "clinically tested skincare product specifically designed for Asian, Arabic and darker skin tones". The review mentions that the product is priced at £39.99 and that it is sold in John Bell & Croyden in the UK, or online via the website of Pharmaclinix. There are also 8 comments from June 2014 at the end of the review, demonstrating the interest sparked among other users due to the product reviewed. However, I note that it is unclear whether these users are UK based or not. In addition, even though I have no readership figures, it is evident that the review was primarily aimed towards a UK audience due to the fact that a UK retailer has been named and the price was listed in GBP.



Conclusion on Goodwill

38. Although the evidence has some shortcomings, I am satisfied that Pharmaclinix has been consistently selling a skincare product under the sign that is designed for Asian, Arabic and darker skin tones, specifically for preventing and treating acne. This is evident from the sales sample invoices and screenshots from third-party seller websites. While I have no evidence as to the size of the UK market for such skincare products, I am of the view that it is a niche market. I consider the volume of these sales (of over 2,000 items) over a fairly longstanding period of time (i.e. 2011-2019) to be sufficient to demonstrate a level of protectable goodwill. This is particularly the case given that Pharmaclinix has been selling its goods across the UK between 2011 and the relevant date. Ideally, there would have been turnover figures, but even so, looking at the evidence as a whole, there is a moderate level of protectable goodwill in relation to “acne creams” and “skincare”.⁷ I note that Pharmaclinix has also claimed goodwill in “cosmetics; moisturisers”. However, I do not consider that it has demonstrated any trading activities in respect of these goods. Finally, I am satisfied that the sign used on the packaging, on invoices, and in promotional materials, such as the YouTube videos, was distinctive of that goodwill at the relevant date, and I note that the sign is a coined word, admittedly derived from “ACNE”, but the public would still see it as an invented word.

Misrepresentation

39. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v.*

⁷ See *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA).

Borden Inc. [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is:

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product].”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd. (1941)* 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application (1945)* 63 R.P.C. 97 at page 101.

And later in the same judgment:

[...] for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

40. In *Lumos Skincare Limited v Sweet Squared Limited and others [2013]* EWCA Civ 590, Lord Justice Lloyd commented on the paragraph above as follows:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the “substantial number” of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to

be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small.”

41. I have found that Pharmaclinix enjoys a protectable level of goodwill for the sign relied upon in respect of “*acne creams*” and “*skincare*”. The respective mark and sign I must now compare are as follows:

Pharmaclinix’s Sign	Farmina’s Mark
ACNEX	ACNEX

42. I find that the contested mark and sign are self-evidently identical. In relation to the slight variations of the sign, namely ‘ACNEX Clear’ and ‘ACNEX Face Mask’, I still consider it to be identical to the contested mark. This is because they share the identical dominant and distinctive element, that being the word element ACNEX.

43. In relation to the similarity of the competing goods, Pharmaclinix submitted that:

“The Cancellation Applicant submits that the Registration may constitute a misrepresentation of the Cancellation Applicant’s prior unregistered sign due to the identity of the respective marks and the identity and similarity of the respective goods. The average consumer would be led to believe that there is a connection between the Opponent and the Cancellation Applicant where there is none.”

44. Some of the goods for which the mark is registered are in the same field of activity as Pharmaclinix’s, namely “*Cosmetics; Toiletries*” in Class 3,

which could be largely considered as skincare products used for beautification purposes. Such skincare products are sold in the same areas of large department stores. Even though they might be sold in separate sections, they will still be placed in close proximity. I consider that the parties' goods could be produced by the same manufacturers and be sold to the same public through the same retailers. This could also be the case for the contested term "*Perfumes*". Consequently, I consider that it is likely, given the identity between the word sign and the contested mark, that the public would be misled into purchasing Farmina's goods in the belief that they are the responsibility of Pharmaclinix.

45. I bear in mind that I must consider a notional and fair use of the registered mark in relation to the goods in respect of which it is registered. In this regard, the registered goods of Farmina in Class 5, namely "*Medicine; Pharmaceuticals; Hygienic preparations and articles; Medical preparations*" can also be skincare products with medical properties that, at the very least, are in a related field of activity to those for which Pharmaclinix has goodwill. In addition, the registered goods "*Dietary supplements for humans; Food supplements*" and the skincare goods under the contested sign may share the same consumers as they may purchase both types of goods to improve the appearance of their skin. I consider that the above could be products that are aimed at improving the skin. Whilst I note that the opponent has only a moderate degree of goodwill, I consider this, combined with the identity of the mark/sign and the overlapping fields of activity likely to result in a substantial number of members of the relevant public being misled into purchasing Farmina's goods in the mistaken belief that they are provided by Pharmaclinix.

Damage

46. Having found the existence of goodwill and misrepresentation, I consider that damage through diversion of sales is easily foreseeable. The application based upon section 5(4)(a) is, therefore, successful.

OUTCOME

The Invalidation

47. The application for invalidity against Farmina has succeeded in full. As a result, the registered mark is, subject to any successful appeal, hereby **declared invalid and deemed as if it had never been registered for any of the goods covered by its specification.**

The Opposition

48. As mentioned earlier in this decision, the effect of the '789 mark being declared invalid means that it cannot be relied upon as an earlier mark in relation to the opposition brought by Farmina against Pharmaclinix. As such, the grounds of opposition under Sections 5(1) and 5(2)(a) of the Act fall away. Subject to any successful appeal, the application UK00003765450 **may be granted protection in the UK in respect of all goods.**

COSTS

49. Pharmaclinix has been successful and is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 2/2016. I award costs as follows:

Official fee for the invalidation	£200
Preparing a counterstatement in the opposition and filing a Notice of Invalidation	£600
Filing evidence and considering the other side's evidence and submissions	£700
Filing submissions in lieu of a hearing	£300
Total	£1,800

50. I, therefore, order Farmina sp. z o. o. to pay to Pharmaclinix Ltd the sum of £1,800. 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 16th day of August 2024

Dr Stylianos Alexandridis

For the Registrar,

The Comptroller General