O/0862/24

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3879240

IN THE NAME OF:
IN THE NAME OF JIANGSU YAHONG MEDITECH INCORPORATED COMPANY
FOR THE TRADE MARK:

Vesique

IN CLASS 5

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO. 440834

BY: NOVARTIS AG

Background and pleadings

1. On 17 February 2023, Jiangsu Yahong Meditech Incorporated Company ("**the applicant**") applied to register as a trade mark in the United Kingdom, the plain word "Vesique" in respect of the following goods:

> *Class 5: Medicines for human purposes, all being for genitourinary tumors, all being prescription-only; pharmaceutical preparations for genitourinary tumors, all being prescription-only.*

2. The application was accepted and published for opposition purposes on 24 February 2023. On 16 May 2023, NOVARTIS AG ("**the opponent**") opposed the application on the basis of section 5(2)(b) of the Trade Marks Act 1994 ("**the Act**"). The opponent relies upon UK trade mark number 811226773 for the mark VSIQQ, which was filed on 20 June 2019 and registered on 21 February 2020.[1] The opponent relies upon all goods for which the mark is registered, namely *Pharmaceutical preparations* in class 5.

3. By virtue of its earlier filing date, the trade mark upon which the opponent relies qualifies as an earlier trade mark pursuant to section 6 of the Act. As it had not been registered for more than five years at the filing date of the contested application, it is not subject to the use conditions set out in section 6A of the Act. As such, the opponent may rely on all the goods for which its trade mark is registered, without having to show any use at all.

4. The opponent claims that the marks are similar and that the respective goods are identical, with the result that there is a likelihood of confusion.

[1] 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 EUTM or International Trade Mark designating the EU. As a result, the opponent's mark was converted into a comparable UK trade mark. Comparable UK marks are now recorded in 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.

5. The applicant filed a counterstatement admitting that the earlier mark includes goods that are similar and identical to those covered by the application but denying that the marks are similar; therefore, it denies any likelihood of confusion.

6. The opponent is represented by Abel and Imray LLP and the applicant is represented by Boult Wade Tennant LLP.

7. Only the opponent filed evidence in these proceedings. The opponent also filed submissions in lieu of a hearing. No hearing was requested and so this decision is taken following careful consideration of all the papers, points from which I shall refer to as I consider warranted in this decision.

Evidence

8. The opponent's evidence was filed in the form of two witness statements.

9. The first witness statement, dated 9 October 2023, was filed by David Degen, an IP Counsel at the opponent's company. The witness statement includes four exhibits labelled DD1-DD4.

10. The second witness statement, dated 14 November 2023, was from Rebecca Atkins, a Chartered Trade Mark Attorney and Partner at Abel and Imray LLP. The witness statement includes one exhibit labelled RA1.

Preliminary remarks

11. The opponent's evidence and submissions in these proceedings refer to previous decisions of the UK IPO Tribunal (O/942/22) and EUIPO (B 3 154 612 and its subsequent board of appeal decision). Those proceedings concerned a prior dispute between the opponent and the applicant. The opponent has attributed a great deal of weight to the findings of those decisions in support of many of its arguments in the present proceedings. While I note the contents and findings of those decisions, previous decisions of this Tribunal or the EUIPO are not binding authority on subsequent hearing officer decisions.

12. In *Ants R Us,* BL O/478/20, Mr James Mellor QC (as he then was) sitting as the Appointed Person stated:

> "32. In paragraph 29, it can be seen that the Hearing Officer took the view that 'R US' was not 'particularly distinctive in itself' and also that it was 'inherently weakly distinctive'. This is the only point in the Decision which has given me pause for thought. In this regard, I refer to the prior decisions to which the Appellant draws attention – namely O/213/03 TOYS AREN'T US at §37, and O/224/06 'WINDOWS "R" US' at §17 – in which it asserts it was held that the element 'R US' and TOYS R US are distinctive. In both sets of proceedings, the Opponent relied on various UK and Community Trade Marks, including a CTM for 'R US'. The first case was an opposition which succeeded but only under ss5(3) and 3(6), and failed under s.5(4)(a), the second was an invalidity claim which failed in its entirety including under s.5(4)(a). The circumstances of each were different in material respects to the situation in this opposition, and neither decision establishes the propositions advanced, at least not without some qualification. Although a measure of consistency in the assessment of marks is desirable, it is not mandatory. In any event, the Hearing Officer had to decide this opposition on the basis of the evidence before her." (my emphasis added)

13. Each case must be assessed on its own merits and, as such, I do not consider it appropriate to derive my findings or conclusions wholly from the decisions to which the opponent refers. My determination of each of the opponent's claims must take into account all the relevant factors, following an assessment of the papers before me.

DECISION

Relevance of EU law

14. 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.

Legislation and case law

15. Section 5(2)(b) of the Act reads as follows:

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

16. I am guided by the following principles are gleaned from the decisions of the courts of the European Union *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 Office for Harmonization in the Internal Market (Trade Marks and Designs) (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;
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> (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 greater 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

17. In *Gérard Meric v Office for Harmonisation in the Internal Market* (‘*Meric*’),[2] the General Court (“GC”) held that goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application and vice versa.

18. The goods to be compared are as follows:

Opponent’s goods	**Applicant’s goods**
Class 5: Pharmaceutical preparations.	Class 5: Medicines for human purposes, all being for genitourinary tumors, all being prescription-only; pharmaceutical preparations for genitourinary tumors, all being prescription-only.

19. In its counterstatement, the applicant acknowledges that the earlier mark includes goods which are similar and identical to those covered by the application but does not state to what degree. I am of the view that all of the applicant’s goods are encompassed by the opponent’s broad term *pharmaceutical preparations.* They are therefore identical based on the principle outlined in *Meric.*

The average consumer and the purchasing act

20. 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

[2] Case T-133/05, paragraph 29

likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer,* Case C-342/97.

21. 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."

22. The opponent submits that the relevant consumer comprises healthcare professionals and end consumers (patients), who will pay an above average degree of attention when purchasing the goods in question. Given the nature of the goods, they state that they will not be available to purchase off the shelf and will likely be requested or referred to orally between healthcare professionals and patients. In support of this, they have provided printouts from the Cancer Research UK website that details how chemotherapy can be administered to patients intravenously in a hospital or administered at home via a pump or chemotherapy tablets.[3] The opponent believes that this demonstrates that there will be oral uses of the product names at various stages of the supply chain and as such, the phonetic identity outweighs any visual differences between the marks.

23. In its counterstatement, the applicant submits that medical professionals will display a high degree of attentiveness when prescribing medicinal products as well as pharmacists, who will check the goods before they are passed onto the end user.

[3] See exhibit DD3

24. In *Olimp Laboratories sp. z o.o. v EUIPO*, Case T-817/19, the GC considered the average consumer for and level of attention which would be paid in the selection of pharmaceutical and medical products in class 5. It said:

> "39 Where the goods in question are medicinal or pharmaceutical products, the relevant public is composed of medical professionals, on the one hand, and patients, as end users of those goods, on the other (see judgment of 15 December 2010, *Novartis* v *OHIM – Sanochemia Pharmazeutika (TOLPOSAN)*, T-331/09, EU:T:2010:520, paragraph 21 and the case-law cited; judgment of 5 October 2017, *Forest Pharma* v *EUIPO – Ipsen Pharma (COLINEB)*, T-36/17, not published, EU:T:2017:690, paragraph 49).
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> 40 Moreover, it is apparent from case-law that, first, medical professionals display a high degree of attentiveness when prescribing medicinal products and, second, with regard to end consumers, in cases where pharmaceutical products are sold without prescription, it must be assumed that those goods will be of concern to consumers, who are deemed to be reasonably well informed and reasonably observant and circumspect where those goods affect their state of health, and that these consumers are less likely to confuse different versions of such goods. Furthermore, even assuming that a medical prescription is mandatory, consumers are likely to demonstrate a high level of attentiveness upon prescription of the goods at issue in the light of the fact that those goods are pharmaceutical products. Thus, medicinal products, whether or not issued on prescription, can be regarded as receiving a heightened level of attentiveness on the part of consumers who are normally well informed and reasonably observant and circumspect (see judgment of 15 December 2010, *TOLPOSAN*, T-331/09, EU:T:2010:520, paragraph 26 and the case-law cited).
>
> 41 […]
>
> 42 In the present case, having regard to the nature of the goods concerned, namely medical or pharmaceutical products in Class 5, the Board of Appeal acted correctly in finding in paragraphs 18 to 21 of the contested decision –

which, moreover, is not disputed by the applicant – that, in essence, the relevant public was made up of medical professionals and pharmacists and consumers belonging to the general public with a higher than average degree of attentiveness."

25. In *Armour Pharmaceutical Co v OHIM*, Case T-483/04, the Court Of First Instance stated:

> ""79 The Court finds that the level of attention of the average consumer of pharmaceutical preparations must be determined on a case-by-case basis, according to the facts in the case-file, especially the therapeutic indications of the goods in question. Likewise, the Court finds that, in the case of medicinal products subject to medical prescription such as those being considered in the present case, that level of attention will generally be higher, given that they are prescribed by a physician and subsequently checked by a pharmacist who delivers them to the consumers."

26. The applicant's goods in these proceedings will require a formal prescription issued by a medical professional such as a doctor, nurse, or pharmacist. The opponent's goods may or may not require prescription. On that basis, two primary consumer groups are likely to emerge; medical professionals dealing with the prescription and the general public as the recipient patient.

27. The goods will have a direct impact on the health and wellbeing of the end consumer. From both a professional and personal perspective, the goods' selection is therefore likely to command a considerable amount of diligence, with consumers' health of utmost importance. I appreciate that, as the severity of medical conditions can vary fairly widely, the level of attention paid to the selection of the goods intended to treat them may follow suit, to a degree. Even so, considering the nature of the goods in these proceedings, I would expect the level of attention to be at a high degree for both consumer groups.

28. Whilst I note the opponent's assertions that aural considerations will dominate the selection process, I find that visual considerations will be most important. This is

because the goods, even when discussed verbally between a healthcare professional and a patient, will be viewed by both consumer groups when checking prescriptions and medicine packaging. They will also likely be viewed by professional consumers in publications such as medical journals or catalogues. That being said, I do not discount an aural aspect to the selection process as discussions will take place between medical professionals and their patients.

Comparison of trade marks

29. It is clear from *Sabel BV v. Puma AG* (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 Case C-591/12P, *Bimbo SA v OHIM*, 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."

30. 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.

31. The respective trade marks are shown below:

Opponent's mark	Applicant's mark
VSIQQ	**Vesique**

32. The opponent's mark is in word-only format and consists of "VSIQQ" presented in a standard, upper-case typeface. As there are no other components, the overall impression of the mark resides in the word itself.

33. The applicant's mark consists of the word "Vesique" presented in a standard typeface in title case. The overall impression lies in the word itself.

34. Since the applicant's mark may fairly be used in the same uppercase as the opponent's mark, I bear in mind that it may also look like this: VESIQUE. The opponent's mark is five letters in length whereas the applicant's mark is seven letters in length. Visually, the respective marks overlap through the use of the letters "V" and "SIQ". However, the marks differ by way of the letter "E" appearing as the second letter in the applicant's mark and having no counterpart in the opponent's mark. Further, the opponent's mark includes an additional letter "Q" which is not present in the applicant's mark and the applicant's mark ends with the letters "UE". Overall, I find there is a low to medium degree of similarity between the marks.

35. For a significant proportion of the public, the applicant's mark will be pronounced in two syllables as VEZ-EEK.

36. In respect of the opponent's mark, the applicant submits that the mark will be articulated as VEE-ESS-I-CUE-CUE or as VUH-SICK. The opponent submits that consumers will add a vowel between the V and S of the earlier mark to facilitate the pronunciation and that the SIQQ element will be pronounced as SIQUE (as in physique), and this therefore renders the respective marks aurally identical.

37. I do not rule out that that the average consumer may voice each letter of the opponent's mark - as VEE-ESS-EYE-CUE-CUE. That is one way in which it may be said, which is not aurally similar to the applicant's mark.

38. However, another possibility is that the average consumer may seek to pronounce the five letters as a word, based on (i) the "V" as the opening element, combined with (ii) articulation of the "SIQQ" element, as a single sound. The resultant spoken word will depend on how each of those two elements is said. The first part may be voiced just as the letter, so giving a "VEE" sound. Alternatively, and perhaps less likely, it may be voiced, not as the letter itself, but as the softer sound "VUH". I see no reason why it would be pronounced "VE" as in "VET". As to the second element "SIQQ", I consider it will be articulated as "SICK". For those who seek to voice the opponent's mark as a word, it will be articulated as the two syllables as VEE-SICK or VUH-SICK. As such, I consider the marks to be aurally similar to a medium degree. In the absence of the letters UE at the end of the opponent's mark and the presence of a double consonant QQ, it does not seem to me likely that the "SIQQ" element would be pronounced "SEEK" or "ZEEK". In case I am wrong on that, I will give consideration in my assessment of the claim to the possibility that a significant proportion of the average consumer group may pronounce it as VUH-ZEEK, such that the aural similarity is very high.

39. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer. This is highlighted in numerous judgments of the GC and the CJEU, including *Ruiz Picasso v OHIM* [2006] ECR I-643; [2006] E.T.M.R 29. The assessment must, therefore, be made from the point of view of the average consumer.

40. I consider that both marks as a whole will be perceived by the average consumer as invented terms without any conceptual meaning. As such, no conceptual comparison can be made, rendering the marks conceptually neutral.

Distinctive character of the earlier mark

41. 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 *Windsurfing Chiemsee* 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)."

42. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use that has been made of it.

43. The opponent has not pleaded that its mark has obtained an enhanced level of distinctiveness, nor has it filed any evidence to that effect. Therefore, I have only the inherent position to consider.

44. As previously outlined in the conceptual comparison, the earlier mark will not convey any meaning to the average consumer and therefore the mark does not describe or allude to the goods which are relied upon in the opposition. I find the opponent's mark to be inherently distinctive to a high degree.

Likelihood of confusion

45. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one trade mark for the other, while indirect confusion is where the average consumer realises the trade marks are not the same but puts the similarity that exists between the trade marks and goods down to the responsible undertakings being the same or related.

46. In determining whether there is a likelihood of confusion, I must make a global assessment of the competing factors (*Sabel* at [22]), keeping in mind the interdependency between them (*Canon* at [17]) and considering the various factors from the perspective of the average consumer. In making my assessment, I must bear in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

47. The question is whether there is a likelihood of confusion amongst a significant proportion of the relevant public;[4] occasional confusion by a small minority is not sufficient to find a likelihood of confusion. The relative weight of the factors is not laid down by law, but is a matter of judgment for the tribunal on the particular facts of each case.[5] The legal test 'likely to cause confusion amongst the average consumer' is inherently imprecise, not least because the average consumer is not a real person; it involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade and, it is often very difficult to make such prediction with confidence.[6]

48. Earlier in this decision I concluded that the competing goods are identical. I concluded that the average consumer may be a medical professional or a member of the general public. I found that both consumer groups would pay a high degree of attention during the purchasing process. I found that the goods would be selected

[4] Kitchin L.J. in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41 at §34

[5] See paragraph 33 of the decision of Iain Purvis QC sitting as the Appointed Person in Case No. O-079-17, (*Rochester Trade Mark*).

[6] Again see comments of Iain Purvis as the Appointed Person, in *Rochester*.

primarily by visual means, although I did not discount an aural aspect to the purchasing process. I found the respective marks to be visually similar to a low to medium degree. Aurally, for those who sound out the five letters of the opponent's mark, the marks are dissimilar. For those who try to say the opponent's mark as a word, there is a medium degree of aural similarity – though I will consider the possibility that they may be aurally similar to a very high degree. I concluded that the marks were conceptually neutral. I found the earlier mark to be inherently distinctive to a high degree, with no use to enhance the distinctiveness.

49. Despite the high level of distinctive character of the earlier mark, I find that the combination of the visual differences and the high level of attention of the average consumer is enough to offset the fact that the goods may be identical.

50. Visually, there are clear differences between the marks and their overall impressions are different. The distinctiveness of the earlier mark is largely a result of its 5 particular letters, including a double Q and only one vowel. The applicant's mark has a different overall impression; although it is a made-up word, its construction is more "word-like", since the average consumer will be familiar with ordinary English words such as "physique" and "antique".

51. Alongside the high level of care adopted by consumers for the goods, I also bear in mind that the "purchasing" process in the present case further mitigates against imperfect recollection and the likelihood of direct confusion. The applicant's goods are "pharmaceutical preparations for genitourinary tumours, all being prescription-only". The opponent's goods are pharmaceutical preparations at large. The opponent's goods could therefore be an over-the-counter, off-the-shelf tablet for headache, no prescription required. Equally, the opponent's goods could be a prescription-only pharmaceutical preparation for genitourinary tumours. In the first scenario of the off-the-shelf goods bearing the earlier mark, there is no likelihood that a medical professional or member of the public would directly confuse those goods for the prescription-only medication for genitourinary tumours. In the second scenario, even where the goods may be identical, the goods are unobtainable without the intervening actions of a prescribing doctor and dispensing pharmacist, both of whom will pay a high degree of attention and will see the marks on the prescription sheet or digitally

and on the printed label of the medication. The checking is professionally rigorous and the visual differences will be readily noted – even if the marks were considered highly similar on an aural basis.

52. I now go on to consider indirect confusion.

53. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

> "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.
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> 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).
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> (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. These examples are not exhaustive but provide helpful focus.

55. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCACiv 1207, Arnold LJ referred to the comments of James Mellor K.C sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion".

56. I find the average consumer would put the presence of the common elements down to coincidence rather than an economic connection. Further, I am not convinced that the differences in the marks would be seen as signifiers of a brand extension or a sub-brand and, as such, I do not see a logical step which would cause consumers to be indirectly confused. There is no evidence suggesting that it would be common for a pharmaceutical mark to be mutated so as to produce the two different marks. Indeed, that seems most unlikely to me. Consequently, I do not find there to be any likelihood of indirect confusion.

Conclusion

57. The opposition under section 5(2)(b) of the Act has failed. Subject to any successful appeal, the application will proceed to registration in the UK for the full range of goods applied for.

Costs

58. The applicant has been successful and is entitled to a contribution towards its costs. Awards of costs in proceedings commenced on or after 1 February 2023 are governed by Annex A of Tribunal Practice Notice ('TPN') 1 of 2023. Using that TPN

as a guide, I award the applicant the sum of £850 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing a statement and considering the other side's statement:	£250
Considering the other side's evidence:	£600

59. I therefore order Novartis AG to pay the sum of £850 to Jiangsu Yahong Meditech Incorporated Company. 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 05 day of September 2024

Catrin Williams
For the Registrar