BL O/1039/24

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. UK00003593471 IN THE NAME OF SALVACION USA INC.

AND IN THE MATTER OF OPPOSITION NO. 425257 THERETO IN THE NAME OF BIOFARMA

DECISION

Introduction

1. This is an appeal against the decision of Leanne Fayter, acting on behalf of the Registrar of Trade Marks (O-0023/24) in which the opposition under section 5(2)(b) of the Trade Marks Act 1994 ("***the 1994 Act***") was dismissed ("***the Decision***").

2. On 10 February 2021, Salvacion USA Inc. ("***the applicant***") applied to register **COVIXYL-V** as a trade mark in respect of '*Nasal spray preparations*' in Class 5.

3. On 30 June 2021 the application was opposed by BIOFARMA ("***the opponent***"). The opposition was based upon section 5(2)(b) of the 1994 Act. For the purposes of section 5(2)(b) the opponent relied upon two earlier trade marks (together "***the earlier trade marks***"):

   (1) **COVERSYL** filed on 6 March 1984 and registered as of 4 September 1985 in respect of '*Pharmaceutical preparations and substances*' in Class 5 ("***the First Earlier Mark***"); and

   (2) **COVERSYL** filed on 29 January 2007 and registered as of 19 November 2007 (claiming seniority from the First Earlier Mark) in respect of '*Cardiovascular pharmaceuticals*' in Class 5 ("***the Second Earlier Mark***").

4. The applicant filed a counterstatement denying the claims made and put the opponent to proof of use of the earlier trade marks.

5. The opponent filed evidence in chief in the form of two witness statements and the applicant filed evidence in answer. The opponent also filed a third witness statement and submissions in lieu of a hearing.

6. As neither side requested a hearing the Hearing Officer made a decision on the basis of the papers that had been filed.

7. In the Decision the Hearing Officer found that:

   (1) The earlier marks had '*been put to genuine use in the UK in relation to tablets which are used for the treatment of high blood pressure, the treatment of heart failure and to reduce the risk of cardiac events*' (paragraph [37]).

   (2) On the basis of the finding of genuine use, that a fair specification for the earlier marks to be in Class 5 '*Pharmaceuticals, namely cardiovascular preparations for oral use*' (paragraph [42]).

   (3) With respect to the comparison of the goods in issue they were '*similar to between a medium and high degree*' (paragraph [53]).

   (4) That the average consumer of the goods would be both medical professionals and members of the general public (paragraph [56]); that the level of attention paid during the purchasing process would be high (paragraph [57]); and that visual considerations would dominate the selection process although an aural component could not be discounted (paragraph [58]).

   (5) With respect to the comparison of the marks in issue the marks were visually similar to '*no more than a medium degree*' (paragraph [64]); '*aurally similar to between a low and medium degree*'(paragraph [65]); and '*conceptually neutral*' (paragraph [66]).

   (6) The earlier marks were '*inherently distinctive to a high degree*' (paragraph [69]).

   (7) On the basis of those findings that there was no likelihood of confusion (paragraphs [73] and [76]).

8. In the circumstances the Hearing Officer rejected the Opposition and ordered that the opponent pay £1000 to the applicant by way of a contribution towards its costs.

<u>The basis of the appeal</u>

9. A Form TM55P dated 12 February 2024 was filed on behalf of the opponent. It was accompanied by Grounds of Appeal.

10. Paragraph 5 of the Grounds of Appeal stated that *'[the opponent] does not dispute that the correct legal authorities for an Opposition based on Section 5(2)(b) were cited and considered by the Hearing Officer*'.

11. However, it was maintained that the Decision was flawed for the following reasons:

    (1) That the Hearing Officer had misapplied the assessment of a fair specification of the goods of the earlier marks based on the opponent's use of the mark.

(2) That the Hearing Officer erred in her consideration of the respective marks, in particular the pronunciation of the earlier marks, resulting in an incorrect assessment of the similarity of the marks.

(3) That the Hearing Officer had misapplied the criteria for considering the similarity of prescription only products.

(4) As a result of the errors identified in grounds (1) to (3) the Hearing Officer incorrectly found that there was no likelihood of confusion.

12. The opponent also filed a Third Witness Statement of Matthew Peter Smith dated 12 February 2024 together with Exhibits MPS17-MPS23 ("***the additional evidence***").

13. The applicant did not file a Respondent's Notice.

14. Notification of the time and date for the hearing of the appeal was sent by email dated 14 August 2024. On 2 September 2024 under cover of an email an application was made on behalf of the opponent for permission to rely on the additional evidence for the purposes of the appeal.

15. At the hearing of the appeal, which took place by video link, the opponent was represented by Mr Mathew Smith of Abel & Imray LLP who filed a written skeleton of argument in advance of the hearing. The applicant was not represented and took no part in the appeal.

The Standard of Review

16. The Court of Appeal addressed the question of the standard of review on appeals in Lidl Great Britain Ltd v. Tesco Stores Ltd [2024] EWCA Civ 262 at [110] where Arnold LJ stated the position to be as follows:

> The test on appeal
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> 110. It is common ground that, in so far as the appeals challenge findings of fact made by the judge, this Court is only entitled to intervene if those findings are rationally insupportable: *Volpi v Volpi* [2022] EWCA Civ 464, [2022] 4 WLR 48 at [2] (v) (Lewison LJ). Equally, it is common ground that, in so far as the appeals challenge multi-factorial evaluations by the judge, this Court is only entitled to intervene if the judge erred in law or principle: compare *Magmatic Ltd v PMS International Group plc* [2016] UKSC 12, [2016] Bus LR 371 at [24] (Lord Neuberger of Abbotsbury) and *Actavis Group PTC EHF v ICOS Corp* [2019] UKSC 15, [2019] Bus LR 1318 at [78]- [81] (Lord Hodge) , and see *Re Sprintroom Ltd* [2019] EWCA Civ 932, [2019] BCC 1031 at [72]-[78] (McCombe, Leggatt and Rose LJJ) , which was cited with approval by the

> Supreme Court in *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8 at [49] (Lord Briggs and Lord Kitchin) .

17. See further the in the Supreme Court in Lifestyle Equities CV. Amazon UK Services Ltd [2024] UKSC 8 referred to by the Court of Appeal which likewise reaffirmed the approach to appeals of the kind at [46] to [50]. Of particular relevance are paragraphs [49] and [50] of the Judgement of Lord Briggs and Lord Kitchen JJSC which state as follows:

> 49. That does not, however, mean the appeal court is powerless to intervene where the judge has fallen into error in arriving at an evaluative decision such as whether an activity was or was not targeted at a particular territory. It may be possible to establish that the judge was plainly wrong or that there has been a significant error of principle; but the circumstances in which an effective challenge may be mounted to an evaluative decision are not limited to such cases. Many of the important authorities in this area were reviewed by the Court of Appeal in In *re Sprintroom Ltd* [2019] 2 BCLC 617, paras 72–76 . There, in a judgment to which all members of the court (McCombe, Leggatt and Rose LJJ) contributed, the court concluded, at para 76, in terms with which we agree, that on a challenge to an evaluative decision of a first instance judge, the appeal court does not carry out the balancing exercise afresh but must ask whether the decision of the judge was wrong by reason of an identifiable flaw in the judge's treatment of the question to be decided, such as a gap in logic, a lack of consistency, or a failure to take into account some material factor, which undermines the cogency of the conclusion.
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> 50. On the other hand, it is equally clear that, for the decision to be “wrong” under CPR r 52.21(3) , it is not enough to show, without more, that the appellate court might have arrived at a different evaluation.

18. Further in this connection it is to be observed that the Court of Appeal has explicitly confirmed in TVIS Ltd v. Howserv Services Ltd [2024] EWCA Ci 1103 at [31] that:

> Since the judge’s conclusion that there was no likelihood of confusion involved a multi-factorial evaluation, this Court can only intervene if he erred in law or in principle: compare *Actavis Group PTC EHF v ICOS Corp* [2019] UKSC 15 , [2019] Bus LR 1318 at [78]-[81] (Lord Hodge) and see *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8 , [2024] Bus LR 532 at [46]-[50] (Lord Briggs and Lord Kitchin).

19. I have kept these principles in mind when considering the present appeal.

Decision

Application to adduce further evidence on appeal

20. The opponent sought permission to file additional evidence on appeal. The applicant did not respond in any way to that application.

21. The general principles to be applied in respect of the admissibility of fresh evidence in trade mark appeals, sought to be introduced for the first time on appeal. These were summarised by Henry Carr J in Consolidated Developments Ltd v. Cooper [2019] FSR 2 at paragraph [33]:

> 33. The cases to which I have referred establish the following principles in respect of the admissibility of fresh evidence in trade mark appeals, sought to be introduced for the first time on appeal:
>
> (i) the same principles apply in trade mark appeals as in any other appeal under CPR part 52 . However, given the nature of such appeals, additional factors may be relevant;
> (ii) the *Ladd v Marshall* factors are basic to the exercise of the discretion, which are to be applied in the light of the overriding objective;
> (iii) it is useful to have regard to the *Hunt-Wesson* factors;
> (iv) relevant factors will vary, depending on the circumstances of each case. Neither the *Ladd v Marshall* factors nor the *Hunt-Wesson* factors are to be regarded as a straightjacket;
> (v) the admission of fresh evidence on appeal is the exception and not the rule;
> (vi) the *Gucci* decision does not establish that the court or the Appointed Person should exercise a broad remedial discretion to admit fresh evidence on appeal so as to enable the appellant to re-open proceedings in the Registry; and
> (vii) where the admission of fresh evidence on appeal would require that the case be remitted for a rehearing at first instance, the interests of the parties and of the public in fostering finality in litigation are particularly significant and may tip the balance against the admission of such evidence.

22. The additional evidence which the opponent wished to rely upon for the purposes of the appeal was said to be relevant to the Hearing Officer's finding that the fair specification of the earlier marks was '*Pharmaceuticals, namely cardiovascular preparations for oral use*'. It was accepted on this appeal that a fair specification for the earlier marks was '*Pharmaceuticals, namely cardiovascular preparations*'.

23. The additional evidence that the opponent seeks to have admitted on this appeal consists of a Witness Statement of Matthew Peter Smith dated 12 February 2024 together with Exhibits MPS17-MPS23. Mr Smith is a Chartered Trade Mark

Attorney and the evidence consisted of the results of searches conducted by Mr Smith of publicly available documents and data.

24. This evidence is said to demonstrate that '*pharmaceuticals can be administered in a variety of different forms, and that healthcare professionals do not classify pharmaceutical products by their method of administration*' such that the Hearing Officer should not have been limited to products '*for oral use*'.

25. It was submitted that the Hearing Officer has made a <u>factual error</u> in her assessment of the fair specification of the earlier marks by limiting the products to those '*for oral use*' as pharmaceuticals can be administered in a number of different forms and that healthcare professionals do not classify pharmaceutical products by their method of administration. It was maintained on appeal that the additional evidence underlines the factual error by providing materials that support the factual position put forward on behalf of the opponent.

26. Applying the relevant principles to the application for the admission of the additional evidence on appeal it seems to me that the following points are relevant.

27. First, could the fresh evidence have been filed earlier? Clearly evidence of the type now put forward could have been filed at the time directed for the filing of evidence by the Registrar in the proceedings. I am reinforced in that view by the fact the additional evidence is described in Mr Smith's statement as coming from publicly available documents and data.

28. Second, what was the explanation for the delay? The explanation for the delay was that until the decision of the Hearing Officer was received '*There were no grounds that required [the opponent] to submit this evidence*'.

29. However, the requirement on the opponent to prove use of the earlier marks was apparent from the pleadings. Moreover, the opponent was clearly aware that this was an issue in the proceedings not least because it served evidence of use of the earlier marks upon which it relied.

30. Further, in connection with the evidence of use that was filed (1) it is not suggested on this appeal that the Hearing Officer erred in her summary of the evidence set out in paragraph [26] of her Decision; and (2) it was accepted before me that such evidence only demonstrated use by the opponent of the earlier marks with respect to '*cardiovascular products . . . supplied in tablet form*'; and (3) it was also accepted before me that there was evidence before the Hearing Officer that pharmaceuticals could be administered in a variety to different ways. In fact, the Hearing Officer herself recognised in paragraph [53] of the Decision that the pharmaceuticals for the treatment of a particular condition could be delivered in different ways.

31. Third, what is the potential significance of the additional evidence? As noted above the additional evidence consists of searches conducted by Mr Smith of publicly available documents and data.

32. A number of points can be made in relation to this evidence which are relevant to the question of whether this additional evidence should be admitted (1) that supplying a list of search results without any explanation or context given as to their particular relevance was of no assistance; (2) the materials carry a variety of dates but many, if not all post-date the relevant time period identified in paragraph [24] of the Decision; and (3) there does not appear to be any evidence, and certainly no evidence from a healthcare professional, to support the assertion made by the opponent that such professionals do not classify pharmaceutical products by reference to their method of administration as opposed to solely being categorised by treatment.

33. In the circumstances I am not satisfied that the additional evidence which the opponent seeks to introduce would have an important influence on the case if admitted.

34. In the premises, I am not prepared to exercise my discretion to admit the additional evidence and I refuse the opponent's application to rely upon further evidence on appeal.

Substantive decision on appeal

Ground 1

35. This was the primary Ground of Appeal relied upon by the opponent. As noted above, it was submitted by the opponent that the Hearing Officer has made a factual error in her assessment of the fair specification of the earlier marks by limiting the products to those '*for oral use*'. It was not suggested that the Hearing Officer had erred in her conclusion, at paragraph [37] of the Decision, as to the products with respect to which the earlier marks had been put to genuine use in the UK.

36. Against that background, quite rightly no objection was taken on this appeal with respect to the limitation by the Hearing Officer of the specification of the earlier marks to '*Pharmaceuticals, namely, cardiovascular preparations*'. That this is the correct approach is confirmed by the judgment of the Court of Appeal in Merck KGaA v. Merck Sharp & Dohme Corp [2017] EWCA Civ 1834 at [250].

37. I can see from the Decision at paragraphs [39] to [40] that the Hearing Officer directed herself correctly as to the applicable legal principles to the approach that she should take in considering what a fair specification in the light of her findings as to genuine use should be. Quite rightly it is not suggested otherwise by the opponent albeit that it drew my attention to a number of different decisions of the Registrar where a range different conclusions had been reached on the particular facts of each case. I note in this connection that the opponent did not address the question of a fair specification in its written submissions filed before the Hearing Officer. However I note that those submissions did proceed on the basis that the relevant services of the earlier marks for the purposes of the assessment the Hearing Officer was required to make were '*Cardiovascular pharmaceutical preparations.*'

38. I should emphasise that the evaluation that the Hearing Officer was required to make in deciding the issue of a fair specification is where the correct principles have been identified is predominantly a factual one. That that is the case was expressly accepted by the opponent. Therefore, as noted in the case law set out above and conveniently summarised by Geoffrey Hobbs KC in paragraph [10] of his Decision in LADY LOUISA WATERFORD TM (O-0646-24):

> Her Decision is not liable to be set aside by this Tribunal on appeal unless it can be regarded as rationally insupportable, whether by reason of an identifiable flaw in the treatment of the question to be decided, such as a gap in logic, a lack of consistency, or a failure to take into account a material factor, which undermines the cogency of the conclusion, or for being contrary to principle or plainly wrong: *Lifestyle Equities CV v Amazon UK Services Ltd* [2024] UKSC 8 at paras [46] to [50] per Lord Briggs and Lord Kitchin SCJJ (with whom Lord Hodge, Lord Hamblen and Lord Burrows SCJJ agreed); *Volpi v Volpi* [2022] EWCA Civ. 464 at paras [2], [3] per Lewison LJ (with whom Males and Snowden L.JJ agreed).

39. In order to resolve the objection to registration, the Hearing Officer had to make a realistic appraisal of a fair specification in the light of her findings with regard to the genuine use of the earlier marks having regard to the perceptions of the average consumer.

40. That is what the Hearing Officer did. In order to maintain the required distance between the role of the decision taker at first instance and the decision taker on appeal it is necessary for this Tribunal to proceed on the basis that the Decision below should stand unless the matters on which the opponent relies are by force of what they reveal sufficient to establish that the Decision is vitiated by error. See paragraph [19] of LADY LOUISA WATERFORD TM (above).

41. I have reviewed the Hearing Officer's Decision in the light of the opponent's criticisms. Having done so, I am satisfied that that these do not reveal any substantive mistakes on the part of the Hearing Officer such as to establish that the Hearing Officer's findings with respect to her assessment of fair specification of the earlier marks are liable to be set aside.

42. In the premises I reject Ground 1 of the Appeal.

Ground 2

43. The second ground of appeal is concerned with the aural comparison of the marks made by the Hearing Officer. The Hearing Officer found that the marks in issue were '*aurally similar to between a low and medium degree*'(paragraph [65]). There is no appeal with respect to the Hearing Officer's other findings with respect to the visual and conceptual similarities between the marks in issue.

44. It was maintained on this appeal that had the Hearing Officer correctly approached the pronunciation of the letters SYL in the earlier marks she would have found that those letters would not be pronounced SEAL but rather would be pronounced SILL such

that a finding would have been made that the marks in issue were '*aurally similar to at least a medium degree, if not a high degree*'.

45. I do not accept the arguments put forward by the opponent. First no error or of principle has been identified. The assessment of the degree of aural similarity between a sign and a trade mark is a matter for the first instance tribunal. Nor in my view can it be said that it was not open to the Hearing Officer to make the assessment of aural similarity that she did.

46. Secondly, for the reasons explained in paragraph [35] of TVIS Ltd v. Howserv Services Ltd (above):

> 35. The second and more fundamental reason is that, while it is conventional for first instance tribunals in trade mark cases to articulate their assessment of the degree of visual and aural similarity between signs and trade marks using words such as "high", "medium" or "low", there is no legal requirement for tribunals to do so. All that is required is for the tribunal to assess the nature and extent of any similarities. This is because what matters is not the verbal label that is applied to the assessment, but whether the similarities in conjunction with the other factors which must be taken into account lead to a likelihood of confusion. It is possible for there to be no likelihood of confusion despite a relatively high degree of visual and aural similarity. Equally it is possible for there to be a likelihood of confusion despite a relatively low degree of visual and aural similarity. It depends on the other factors that are in play.

47. In the circumstances I reject Ground 2 of the Appeal.

Ground 3

48. This ground was directed to the finding with respect to the selection process of the average consumer of the goods. At paragraph [58] of the Decision the Hearing Officer found as follows:

> As highlighted above, the goods are likely to be obtained by prescription by the general public, however, medical professionals will obtain the goods directly from the suppliers and their online equivalents. Visual considerations are, therefore, likely to dominate the selection process. However, I do not discount that there will also be an aural component to the purchase given that some of the applicant's goods could be verbally ordered or requested if stocked behind a counter. I also note that there may be an aural component to the purchase of all the goods through advice sought from a medical professional or sales assistant.

49. It was maintained on this appeal that the Hearing Officer erred in not giving greater consideration to the aural similarity. The basis for this submission that was contained in the skeleton of argument filed on behalf of the opponent was a reference to a Board of Appeal decision by the EUIPO in case R 390/2023-2 dated 6 October 2023 at paragraph [47]. However, there are a number of problems with this approach. First, the decision of the Board of Appeal of the EUIPO is not binding on the UKIPO or on me. Second, the paragraph from that decision relied upon by the opponent makes clear that *if* the goods covered, in that case pharmaceuticals and dietary substances, are *primarily sold orally* then greater weight will usually be attributed to any phonetic similarity between the marks or signs. That much, it seems to me, is correct as a matter of principle.

50. However, that is not what the Hearing Officer found in this case. The Hearing Officer did not find that the goods were primarily sold orally. Moreover, no error of principle or material error has been specifically identified by the opponent in relation to the specific findings made in paragraph [58] of the Decision. In any event, I have considered the findings that the Hearing Officer made in that paragraph of the Decision, in the light of the criticisms made be the opponent and, in my view, these were findings that it was open to the Hearing Officer to make. I therefore reject Ground 3 of the Appeal.

Ground 4

51. This ground was directed to the finding of no likelihood of confusion. It was maintained on this appeal that had the Hearing Officer approached the assessment of the likelihood of confusion in the correct manner identified in Grounds of Appeal 1 to 3 the Hearing Officer would have gone on to find that there was a likelihood of confusion and upheld the opposition. It was not suggested that there was any 'free standing' complaint with regard to the assessment of the likelihood of confusion made by the Hearing Officer.

52. For the reasons set out above I have rejected Grounds of Appeal 1 to 3. Moreover, I have reviewed the Hearing Officer's findings with respect to the likelihood of confusion. Having done so I am satisfied that it was open to the Hearing Officer on the basis of the materials before her to come to the conclusion that she did. I therefore reject Ground 4 of the Appeal.

Conclusion

53. For the reasons set out above it does not seem to me that the opponent has identified any error of principle or material error in the Hearing Officer's Decision. Moreover, it is not in my view appropriate to interfere with the evaluations that the Hearing Officer made in reaching the decision that she did. In the result the appeal fails and is dismissed.

54. As the appeal has been dismissed the applicant is entitled to a contribution towards its costs of the appeal. However, the applicant chose not to attend the hearing of the appeal and has taken no active step in the appeal proceedings. It therefore seems to me that in the exercise of my discretion that there should be no order as to costs on the appeal.

55. The Hearing Officer ordered that the opponent should pay the sum of £1000 to the applicant as a contribution towards its costs. Given the appeal has been dismissed the sum of £1000 should be paid by BIOFARMA to Salvacion USA Inc. within 21 days of the date of this decision.

Emma Himsworth KC

Appointed Person

1 November 2024