

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION 2522860 BY PETMEDS LIMITED FOR A SERIES OF TWO TRADE MARKS

AND IN THE MATTER OF OPPOSITION (NO. 100041) BY PETMEDS EXPRESS, INC.

DECISION

Introduction

1. This is an appeal from the Decision of the Hearing Officer dated 19 July 2011 whereby he rejected the opposition based on s.5(2)(a) of the Trade Marks Act 1994 to registration of the applicants marks. He referred to the applicant as “Ltd” and the opponent as “Inc”.

2. The applicant’s marks in issue are as follows:

Date: 5 August 2009

Published in the trade marks journal: 23 October 2009

Trade marks (series of two):



Goods and services sought to be registered:

Class 05: Sanitary preparations; plasters, materials for dressings; disinfectants; animal washes and grooming preparations; preparations and substances for animal hygiene.

Class 35: Retail services, mail order retail services, electronic retail services, online retail services, all connected with the sale of goods for animals, animal care and animal healthcare.

Class 44: Veterinary services; dispensing of pharmaceutical preparations for animals, veterinary preparations and substances, veterinary medicines and veterinary products; all of the aforesaid including services offered online; information, advisory and consultancy services in relation to all of the aforesaid.

3. The basis of opposition under section 5(2)(b) of the Trade Marks Act 1994 was the opponent's prior registrations (both now revoked for non use) as follows:

1) UK trade mark 2370144

Filing date: 7 August 2004

Completed registration procedure: 4 March 2005

Registration revoked on: 19 November 2010

Revocation with effect from: 5 March 2010

Trade mark:



Goods and services for which the mark was registered:

Class 05: Prescription and non prescription pet medications.

Class 31: Pet health and nutritional supplements for animals for purposes other than medical use.

2) UK trade mark 2370145:

Filing date: 7 August 2004

Completed registration procedure: 11 March 2005

Registration revoked on: 19 November 2010

Revocation with effect from: 12 March 2010

Trade mark:



Goods and services for which the mark was registered:

Class 05: Prescription and non prescription pet medications.

Class 31: Pet health and nutritional supplements for animals for purposes other than medical use.

4. The opponent contends that, in rejecting the opposition, the Hearing Officer erred in a number of respects of which the most important was his assessment of the similarity of the respective marks. I deal with the various grounds of appeal below.

Approach to appeal

5. An appeal of this nature is a review of the Hearing Officer's decision. The approach of Robert Walker LJ (as he then was) in *REEF Trade Mark* [2002] EWCA Civ. 763 [2003] RPC 5 at [28], applies namely:

“...an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle”.

6. *REEF* and *BUD Trade Mark* [2003] RPC 25 show that surprise at a Hearing Officer's conclusion does not suffice to justify interference by this tribunal. Before that is warranted, it is necessary to be satisfied that there is a distinct and material error of principle or that the Hearing Officer's decision was clearly wrong. In particular, as Buxton LJ said in *Norowzian v Arks Ltd (No2)* [2002] FSR 363, 370, cited in *REEF*:

“...where it is not suggested that the judge has made an error of principle a party should not come to the Court of Appeal simply in the hope that the impression formed by the judges in this court, or at least by two of them, will be different from that of the trial judge.”

7. That passage has been approved by the majority of the House of Lords in *Designers Guild Ltd. v. Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416 and is consistent with the observations of Lord Hoffmann in *Biogen Inc v. Medeva plc* [1997] RPC at 45. Moreover, in

BUD, Sir Martin Nourse said at [12] that the hearing officer's view in that case was not one to which no reasonable hearing officer could have come. There was therefore no basis to interfere. In that case, Lord Walker said that he found the hearing officer's conclusion "surprising" and that, if the court had a free choice between the hearing officer's decision and that of the deputy judge he would "unhesitatingly" have chosen the latter. He emphasized that the court did not have a free choice and, in so doing, further underlined the requirements of appellate restraint on appeal.

8. In the leading case on appellate function since *REEF* and *BUD*, *Datec Electronics Holdings Ltd & Ors v. United Parcels Services Ltd* [2007] UKHL 23, [2007] 1 WLR 1325, Lord Mance said the following at [46]:

"As to the correct approach in an appellate court to findings and inferences of fact made by a judge at first instance after hearing evidence, there was no disagreement between counsel. In *Assicurazioni Generali SpA v. Arab Insurance Group* [2003] 1 WLR 577, Clarke LJ summarised the position, referring also to a passage in a judgment of my own:

"14. The approach of the court to any particular case will depend upon the nature of the issues kind of case determined by the judge. This has been recognised recently in, for example, *Todd v Adam (trading as Trelawney Fishing Co)* [2002] EWCA Civ 509, Lloyd's Rep 293 and *Bessant v South Cone Incorporated* [2002]EWCA Civ 763. In some cases the trial judge will have reached conclusions of primary fact based almost entirely upon the view which he formed of the oral evidence of the witnesses. In most cases, however, the position is more complex. In many such cases the judge will have reached his conclusions of primary fact as a result partly of the view he formed of the oral evidence and partly from an analysis of the documents. In other such cases, the judge will have made findings of primary fact based entirely or almost entirely on the documents. Some findings of primary fact will be the result of direct evidence, whereas others will depend upon inference from direct evidence of such facts.

15. In appeals against conclusions of primary fact the approach of an appellate court will depend upon the weight to be attached to the findings of the judge and that weight will depend upon the extent to which, as the trial judge, the judge has an advantage over the appellate court; the greater that advantage the more reluctant the appellate court should be to interfere. As I see it, that was the approach of the Court of Appeal on a 'rehearing' under the Rules of the Supreme Court and should be its approach on a 'review' under the Civil Procedure Rules.

16. Some conclusions of fact are, however, not conclusions of primary fact of the kind to which I have just referred. They involve an assessment of a number of different factors which have to be weighed against each other. This is sometimes

called an evaluation of the facts and is often a matter of degree upon which different judges can legitimately differ. Such cases may be closely analogous to the exercise of a discretion and, in my opinion, appellate courts should approach them in a similar way.

17. In *Todd's* case [2002] 2 Lloyd's Rep 293, where the question was whether a contract of service existed, Mance LJ drew a distinction between challenges to conclusions of primary fact or inferences from those facts and an evaluation of those facts, as follows, at pp 319-320, para 129:

'With regard to an appeal to this court (which would never have involved a complete rehearing in that sense), the language of "review" may be said to fit most easily into the context of an appeal against the exercise of a discretion, or an appeal where the court of appeal is essentially concerned with the correctness of an exercise of evaluation or judgment - such as a decision by a lower court whether, weighing all relevant factors, a contract of service existed. However, the references in rule 52. 11 (3) (4) to the power of an appellant court to allow an appeal where the decision below was "wrong" and to "draw any inference of fact which it considers justified on the evidence" indicate that there are other contexts in which the court of appeal must, as previously, make up its own mind as to the correctness or otherwise of a decision, even on matters of fact, by a lower court. Where the correctness of a finding of primary fact or of inference is in issue, it cannot be a matter of simple discretion how an appellant court approaches the matter. Once the appellant has shown a real prospect (justifying permission to appeal) that a finding or inference is wrong, the role of an appellate court is to determine whether or not this is so, giving full weight of course to the advantages enjoyed by any judge of first instance who has heard oral evidence. In the present case, therefore, I consider that (a) it is for us if necessary to make up our own mind about the correctness or otherwise of any findings of primary fact or inferences from primary fact that the judge made or drew and the claimants challenge, while (b) reminding ourselves that, so far as the appeal raises issues of judgment on unchallenged primary findings and inferences, this court ought not to interfere unless it is satisfied that the judge's conclusion lay outside the bounds within which reasonable disagreement is possible. In relation to (a) we must, as stated, bear in mind the important and well-recognised reluctance of this court to interfere with a trial judge on any finding of primary fact based on the credibility or reliability of oral evidence. In the present case, however, while there was oral evidence, its content was largely uncontentious.'

In the same case Neuberger J stressed, pp 305-306, paras 61 to 64, that the question whether there was a contract of service on the facts involved the weighing up of a series of factors. Thorpe LJ agreed with both judgments."

9. The passage from *Todd's* case which was approved in *Datec* has been repeatedly referred to and applied in diverse contexts. The applicant therefore places heavy reliance on fact that very great caution is needed before differing from the Hearing Officer as to his evaluation under s.5(2)(a) of the Act.

10. It is nonetheless noteworthy that, despite the clearest possible articulation of the requirements of appellate modesty, in *Datec*, the House of Lords unanimously upheld the majority judgment of the Court of Appeal which had reversed the finding of the trial judge on a complex question of fact on which experts were unable to reach a firm conclusion. The factual issue in that case was whether packages of computer hardware had been stolen by, or with the involvement of, employees of *UPS*. There was no direct evidence of theft and the judge held that it was more likely that they had been lost accidentally. The majority of the Court of Appeal took a different view. Having evaluated the evidence, Lord Mance said that he shared, “without hesitation, the view which [Richards LJ] formed overall that theft involving a UPS employee was shown on a strong balance of probability to have been the cause of this loss.” Lords Hoffmann, Hope and Neuberger agreed with Lord Mance, none suggesting that the Court of Appeal’s approach was inconsistent with its proper appellate function. Lord Walker, reflecting the more cautious approach which he had expressed in his judgments in the Court of Appeal in *REEF* and *BUD*, was more troubled and said at [12]:

“I feel real doubt whether the Court of Appeal had sufficient grounds for reversing the trial judge, who had the advantage of seeing and hearing the witnesses. He set out his findings fully and clearly and nothing in his judgment suggests to me that he failed to make full use of that advantage. In principle there are clear distinctions between findings of primary fact, factual inferences and the evaluation of factual matters, but in practice they often start to run into one another. An appellate court should be cautious about differing from the trial judge in any of his findings, for the reasons explained by my noble and learned friend Lord Hoffmann in a passage in *Biogen Inc v Medeva Ltd* [1997] RPC 1, 45 which is so well known as not to need repetition.”

11. However, at [13] he said that he did not think it necessary to press his doubt to the point of dissent.

12. In *Hurdell v Hozier & Anor* [2009] EWCA Civ 67 the Chancellor, Sir Andrew Morritt, giving a dissenting judgment as to the outcome but not such as to affect this point, said at [52]:

“No doubt it is also the case that insofar as the trial judge's conclusions are based on his findings of primary fact from the oral evidence given before him the appellate court is reluctant to interfere because it has not had the same advantages. But if the judge's findings are not of that description the appellate court may and frequently does substitute its own conclusions for that of the judge. See generally *Eckersley v Binnie* (1988) 18 Comm.L.R 1, 77/8; *Assicurazioni Generali SpA v Arab Insurance Group Ltd* [2003] 1 WLR 577, 580 et seq. and *Datec Electronic Holdings Ltd v UPS Ltd* [2007] 1 WLR 1325, 1346 para 46.”

13. That approach is reflected in numerous decisions in a range of areas. *Datec* and other cases since *REEF* and *BUD* all reinforce the need for caution before overturning a finding of the tribunal below of the kind in issue in this case. Difference of view is plainly not enough and, to that extent, the applicant's submissions are correct. However, those cases and the practice of appellate tribunals specifically to trade mark registration disputes show that the degree of caution should not be so great as to permit decisions based on genuine errors of approach to go uncorrected.

The Decision and the opponent's criticisms of it

14. The first part of the Decision is taken up with discussion of whether the opponent's marks may be relied on at all for the opposition. Having reviewed a number of authorities, the Hearing Officer concluded that they could be and no challenge has been made to that part of his Decision. Accordingly, the issue on this appeal is whether his approach to the evaluation of the s.5(2)(b) requirements was correct.

15. There are numerous criticisms of the Decision in the grounds of appeal although the main focus was on the way the Hearing Officer assessed the similarity of the marks. Despite focus on one of them, I did not understand the opponent to have abandoned any of those grounds and it is therefore convenient to set out how the Hearing Officer approached the matter and each of the points made in the grounds of appeal, as developed in the arguments at the hearing.

Legal principles

16. First, the Hearing Officer set out the relevant legal principles from the familiar cases, *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. MetroGoldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R.

77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05). Next, he reminded himself of the importance of considering the likelihood of confusion globally having regard, inter alia, to the distinctive and dominant components of the respective marks. No criticism is or could be made of this aspect of his Decision.

The average consumer

17. Second, he considered the characteristics of the average consumer. He made a nuanced evaluation with specific regard to the goods and services for which registration was sought. He said:

“13) The case-law informs me that the average consumer is reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). The degree of care and attention the average consumer uses when selecting goods or service providers can, however, vary depending on what is involved (see, for example, the judgment of the GC in *InterIkea Systems BV v OHIM* (Case T-112/06)).

14) The goods in question are various products for the care of animals and pets. In terms of medicated products the goods are likely to be purchased by either the owner of the animal or by a veterinary professional. In both cases the purchasing process is likely to be more considered than the norm given the nature of the products concerned. In terms of other products, such as, for example, grooming products, a less considered approach will be displayed as these are likely to be more casual purchases. The purchasing process will not fall as low as a grab and go purchase as some consideration to the function and other characteristics of the products will still be applied – a normal (neither above or below the norm) degree of care and attention will be displayed.

15) In terms of the retailing services, I consider the degree of care and attention to be no higher or lower than the norm. Whilst the goods sold may be important (depending on which goods they are) the consumer will focus more upon the product than the retailer, although some care and consideration as to the service provider will no doubt be displayed.

16) In terms of the veterinary and dispensing services, the average consumer will be the owner of an animal. It is likely that a higher degree of care, attention and consideration will be used when selecting such a service provider given that the care of an animal is being entrusted.”

18. The opponent contends that the Hearing Officer made an error of principle in attributing to the average consumer greater than normal attentiveness in relation to some of the goods and

services, namely those with a medicinal or veterinary aspect because he should have taken account of the whole range of types of medical and veterinary goods and services.

19. I am not persuaded by this argument. The Hearing Officer was, in my judgment, entitled to conclude that the average consumer would give greater attention to the selection of medicinal and veterinary services (and related goods) than others. It may be true that those attending to a minor ailment of a goldfish (to use the opponent's example) do not attend as carefully as those considering a serious illness of a dog but that in my view that is to treat the characteristics of the average consumer at too fine a level of grain.

Similarity of goods and services

20. The Hearing Officer dealt with the similarity of goods and services at length in paragraphs 17-30 of the Decision. In relation to the Class 5 goods he said:

“24) The goods are all, to some extent, for the care of an animal. This is so even though not all of the goods are limited to that effect - they nevertheless all have the capacity to be used for the care of animals. The exact purposes vary depending on the particular goods. The goods of the earlier mark, considering primarily the pet medications, are also for the care of an animal (a pet animal). Whilst the goods of the applied for mark are not necessarily medications, there must be a degree of similarity given that all of the goods are, potentially, for the care of pet animals, are all likely to be sold through similar channels of trade and are all likely to be used by the same end consumer (pet owners). Ltd submitted at the hearing that this constituted a too generalistic approach – whilst I see the point, and whilst some pet care products are more similar to medications than others, the goods are clearly similar to some degree having regard to the factors assessed. Looking more specifically at the goods in question, I regard “plasters, materials for dressings” to be reasonably similar to pet medications as such goods have a direct link to the treatment of an animal for an ailment or injury, as do pet medications. The channels of trade are going to be similar. With regard to animal washes and grooming preparations, I again consider there to be a reasonable degree of similarity as medications would include those for treating fleas and animal washes and other grooming preparations may serve a similar purpose even though they may not be medicated. With regard to preparations and substances for animal hygiene and disinfectants, such goods are for hygienic purposes as opposed to treating an ailment, however, whilst the link is not as strong there is still in my view a moderate degree of similarity – hygienic goods are used for the direct care of an animal often applied directly to it to improve its well-being - medications, although performing a different function, are also administered directly to an animal to improve its medical well-being; hygienic goods are concerned with health and well-being, as are medications. With regard to sanitary preparations, it is possible that such goods could simply be for sanitising an animal and, as such, fall in the category of moderately similar. To the extent that such goods could be traditional sanitary

preparations such as sanitary towels and pads, and to the extent that these could be for animals, then the nature and purpose lead to no closer finding than a moderate degree of similarity.”

21. In relation to the class 35 goods, he referred to the General Court’s judgment in *Oakley, Inc v OHIM*, Case T-116/06 and said:

“27) The retailing specified is in relation to goods for animals, animal care and animal healthcare. Such terms are broad and cover within their ambit pet medications (class 5 of the earlier mark) and animal supplements (class 31 of the earlier mark). No fall-back specification has been filed. The goods being retailed may be considered as the goods of the earlier mark. I see no reason why the complementary relationship described in the *Oakley* case does not hold good here. I consider there to be a reasonable degree of similarity between the applied for services in class 35 and the goods of the earlier mark.”

22. In relation to the class 44 goods, he concluded:

“30) All of the above is noted, however, I am dealing with veterinary services (and dispensing of veterinary products) as opposed to human medical services. In terms of veterinary services and goods, there is no break in the chain. A pet owner can go to a vet for advice/treatment, medications can be prescribed or suggested (suggested if, for example, the medications are non-prescription), the same veterinary practice will then dispense the medication, the owner will then take home that medication. There are clear points of difference in terms of nature and methods of use, but the overall purpose is the same in terms of being concerned with the health and well-being of an animal. As can be seen, the channels of trade overlap. There is complementary relationship. Ltd argued that vets and dispensing services are not going to produce their own veterinary products. Whilst they may not manufacture them, I see no reason why certain medications would not be the subject of own-branding as often happens in the human world with certain types of medication, albeit by chemists rather than medical professional such as doctors. The points made by Mr Kitchin QC are also noted. I consider there to be a reasonable degree of similarity between these services and the goods (particularly the class 5 goods) of the earlier mark.”

23. The reference to Mr Kitchin QC was to the Decision of the Appointed Person in *FARMACIA Urban Healing* (O-244-04). The opponent criticizes the Hearing Officer for having concluded that there was only “reasonable” similarity between the goods and services. In my view, this was a conclusion open to the Hearing Officer on the materials before him and I do not think he was either plainly wrong or made any error of principle in coming to that conclusion.

Similarity of marks

24. The opponent’s main argument is that the Hearing Officer adopted the wrong approach to evaluation of the similarity of the marks. This, it is said, led him to approach the global

assessment and the likelihood of confusion on an incorrect basis. It is therefore possible to take those grounds of appeal together.

25. Having said that the colour of the marks was not relevant, for the evaluation (a point which neither side contends was wrong) the Hearing Officer said:

“33) In its counterstatement Ltd stated that PETMEDS is a descriptive term. It is important to deal with this issue because an element of a mark cannot constitute a dominant and distinctive element if it is not distinctive. In Case T-10/09, Formula One Licensing BV v OHIM (“F1”) the GC court stated:

“45 In those circumstances, it should be noted that, according to settled case-law, the public will not generally consider a descriptive element forming part of a compound mark as the distinctive and dominant element of the overall impression conveyed by that mark (see the judgment of 27 November 2007 in Case T-434/05 Gateway v OHIM – Fujitsu Siemens Computers (ACTIVY Media Gateway), not published in the ECR, paragraph 47 and the case-law cited).

.....

48 The fact nevertheless remains that OHIM had a duty to verify the way in which the relevant public perceived the ‘F1’ element in the mark applied for.

49 In the light of those considerations and of the evidence submitted, it must be held that the relevant public will not perceive the ‘F1’ element in the mark applied for as a distinctive element, but as an element with a descriptive function.

.....

51 The case that led to the judgment in Medion, paragraph 33 above – relied upon by the applicant at the hearing – is not relevant to the present case. In the present case, it must be held that the sign ‘F1’ does not play a distinctive independent role within the mark applied for, since, as has already been stated above, the relevant public will perceive the ‘F1’ element as a descriptive element of that mark.”

34) It is necessary to consider what the average consumer will perceive when they encounter the petmeds/PetMeds element in the respective marks. Inc argued that PETMEDS is not a dictionary word and that there was enough unusualness in the combination of elements to result in the word having some distinctive character even if it was not a particularly high degree of distinctiveness. It was argued that PETMEDS would not be seen simply as a descriptor. Ltd, after giving the matter some thought, stuck by its counterstatement claim that PETMEDS was a simple descriptive term, MED/MEDS being an abbreviation for medicine/s or medications/s.

35) Ltd has filed no evidence showing that PETMEDS is a descriptive term. Nevertheless, I must still assess the matter based on the inherent properties of the word. I think it clear that the average consumer will perceive the mark as a combination of the

words PET and the word MEDS. The word PET needs no explanation in the context of the goods and services. In terms of the word MEDS, it is noted that the first two definitions in Collins English Dictionary are that such a word is a shortened form of the words “medical” and “medicine”. I have no doubt that this is how the average consumer will see it. Looking firstly at the earlier mark, 0-800-PetMeds, used in relation to pet medications and pet supplements, it is my view that the average consumer will perceive the PetMeds element to simply be a descriptive one, namely that the goods are medicines (or indeed medications) for pet animals. The words provide a clear and direct explanation. The presentation as one word (although the capitalisation creates a separation of sorts) does nothing to alleviate this. The fact that the goods in class 31 are not medicated does not mean that the average consumer will regard the element as a distinctive one. The goods are so closely related that the consumer will still simply see a meaningful word. The use of PetMeds will not be taken as anything other than a non-distinctive word. In terms of the applied for mark, I come to exactly the same conclusions for exactly the same reasons (including the reasoning as to why, even on goods/services that are not medicines per se, the average consumer will still perceive the word as non-distinctive).

36) Having come to the view that the PETMEDS element in the respective marks will be perceived by the average consumer merely as a descriptive/nondistinctive element, it follows that this element is not a dominant and distinctive element in either of the marks. In terms of the earlier mark, I do not regard the 0800 element as distinctive either as it will be seen simply as a reference to a free phone telephone number. As such, to the degree that the mark is distinctive, then it must only be distinctive on account of the combination of elements and that none of the elements constitutes a dominant and distinctive element alone. In terms of the applied for mark similar considerations apply in that distinctiveness is more likely to be seen in the combination of elements, although, I think it fair to say that whilst the heart and heart beat device are not highly distinctive, the presentation is such to give it some level of distinctiveness, albeit a weak one.

37) In terms of the comparison, the word PETMEDS appearing in both marks creates an inevitable degree of similarity on a visual, aural and conceptual level. However, as the point of similarity is not a dominant and distinctive element in its own right, and on an account of the visual differences (which are reasonably significant) and the phonetic difference, together with a difference between the overall concept between a domain name and an alpha-numeric telephone number, means that I do not consider there to be a high degree of similarity.”

26. The Hearing Officer went on in para. 38 to consider whether the earlier mark was particularly distinctive and concluded that, as a whole, it at best it had a weak degree of inherent distinctive character. The Hearing Officer was entitled to reach that view. Having so held, he performed the global assessment, and in para. 41 said:

“41) I have found that some of the goods and services in question are reasonably similar, others only moderately so. I have found that the marks have some similarity but such similarity is based on an element which will be perceived by the average consumer as

being descriptive or otherwise non-distinctive. I have found the earlier mark as a whole to be of only a weak degree of distinctive character. The average consumer will display either an average degree of care and consideration or an above average degree of care and consideration. It is considered that the use of the descriptive/non-distinctive term PETMEDS, which constitutes the sole point of similarity, will be put down by the average consumer as a co-incidental and not surprising use of a meaningful term. The average consumer will be able to distinguish between the marks an account of this and on account of the differences between the marks. The average consumer will not, for these reasons, consider that the goods/services provided under the respective marks are the responsibility of the same or an economically linked undertaking. There is no likelihood of confusion. The opposition fails.”

27. At the heart of this reasoning is the Hearing Officer’s determination that the marks have some similarity but the similarity is based on an element which will be perceived by the average consumer as being descriptive or otherwise non-distinctive and that any similarity will be put down by the average consumer as a co-incidental and unsurprising use of a meaningful term.

28. The Hearing Officer was plainly right that the differences between the marks “co.uk” and “0-800” and the depiction of the heart were of very limited, if any, distinctive character. In reality the consumer would be looking at “PETMEDS” as the dominant feature of the mark. The Hearing Officer held that this element while dominant was not distinctive and the issue is whether he erred in his approach to this issue.

29. The opponent contends that the element “PETMEDS” is “highly distinctive” despite the fact that it conveys a message as to what some (but not all) of the goods and services are and to that extent can be said to be descriptive. It argues that PETMEDS would not ever naturally be used in a description of such goods and services. PETMEDS involves an ungrammatical juxtaposition of the Americanism “MEDS” with the word “PET” and would be recognized as an indicator of origin. The opponent says that the Hearing Officer was wrong to rely on the Collins Dictionary which was not in evidence and was not discussed at the hearing below. Moreover, says the opponent, the entry for “med” shows it defined as an abbreviation for “1 medical 2 medicine and 3 medium”. Finally, the opponent contends that the Hearing Officer’s reliance on the *F1* case was misplaced. It refers to *Shaker di Laudato v. OHIM* T-7/04 [2009] ETMR 16 in support of its argument that even descriptive terms may form a basis for an objection to a later mark.

Discussion

30. In my view, the Hearing Officer's statement that an element of a mark cannot constitute a dominant and distinctive element, if it is not distinctive, requires further analysis. It is true that if a term is wholly descriptive it would be unlikely to be taken to be the part of the mark which enabled the mark as a whole to distinguish trade origin. However, there is a difference between marks (or elements of marks) which are *apt* to describe goods – in the sense that the term is appropriate to do so – and marks which use *established* descriptive terms. It has long been the law in passing off that *where a mark is largely descriptive "small differences may suffice" to avoid confusion (per Lord Simonds in Office Cleaning Services v Westminster Window and General Cleaning (1946) 63 RPC 30 at p.43). However, as Jacob LJ said in Reed Executive plc v. Reed Business Information Ltd [2004] EWCA Civ 159 [2004] RPC 40 that is not a proposition of law but one of fact and is inherent in the nature of the public perception of trade marks.*

31. A similar principle operates as regards trade mark registration and infringement. In the *F1* case cited by the Hearing Officer, the common element to the marks, F1, was the familiar abbreviation of the term "Formula 1" commonly used in everyday language to designate a category of racing car. The Board of Appeal had found that F1 was generic. The General Court held that the sign F1 did not play a distinctive independent role within the mark applied for since the relevant public would perceive the F1 element as a descriptive element of that mark (see [51]). The Court held at [61]:

"...the fact that the public attributes generic meaning to the sign F1 means that it will understand that the mark applied for concerns Formula 1, but, because of its totally different layout, the public will not make a connection between that mark and the activities of the applicant."

32. That conclusion was similar to that of the Board of Appeal in that case which had held, at para. 31 of its decision:

"...if the public believes that F1 is not a trade mark but, for example, a generic designation or the abbreviation of one such designation, the risk of confusion must be ruled out: no reasonable consumer will be confused by the concurrent use, on the marketplace, of designations that it considers purely generic."

33. A conclusion to that effect was soundly based in the *F1* case, partly because there was established generic use of the term Formula 1 and the abbreviation F1. The question, as the Board of Appeal saw it, was whether the public believed that the element in question was a trade mark.

However, it is important not to treat the *FI* case as having established a general rule that, wherever an element of a mark could fairly be said to describe goods, it cannot be regarded as the distinctive and dominant component of the mark for the purpose of an evaluation under s.5(2)(b) of the Act.

34. That is confirmed by *Shaker di Laudato v. OHIM* T-7/04 [2009] ETMR 16 where the Court of First Instance, on a case remitted from the Court of Justice, said:

39. The Board of Appeal held that the word 'limoncello' was the dominant component of the trade mark applied for and that, therefore, the marks at issue were visually and phonetically practically identical, while Shaker claims, in essence, that as the word 'limoncello' does not have distinctive character, since it describes lemon-based liqueurs, it cannot be the dominant component of that mark for the purposes of the comparison of the marks at issue.

40. It should be borne in mind that, according to the case-law, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components. It is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element. That could be the case, in particular, where that component is capable alone of dominating the image of that mark which members of the relevant public keep in their minds, such that all the other components are negligible in the overall impression created by that mark (*OHIM v Shaker*, paragraphs 41 and 42, and Case C-193/06 P *Nestlé v OHIM* [2007] ECR I-114, paragraphs 42 and 43).

35. The court held that the word which the relevant public would remember was 'limoncello', in view of its prominent location and its position in relation to the other components of the mark, the fact that it was written in large white letters on a blue background, which made it stand out from that background and its size as compared with all the other word components of that the composite mark in issue. It therefore held that the word 'limoncello' was likely to dominate the overall impression created by the trade mark applied for in the minds of the relevant public. That was so notwithstanding the descriptive meaning of limonchelo.

36. In *L'Oreal SA v OHIM (Trade Marks and Designs)* [2006] EUECJ C-235/05, [2006] ECR I-57 in which registration of FLEXIAIR was refused because of the prior registration of FLEX, the Court of Justice said at [45]:

“The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

37. The Court of Justice therefore considered that, while it was a factor, the weak level of distinctiveness of an earlier mark was not invariably determinative of the issue of likelihood of confusion.

38. In my judgment, these cases show that it is impossible to treat a common element which is even accepted to be descriptive in a blanket way in comparing marks in s.5(2)(b) cases. Each case must be considered on its own facts having regard to the particular circumstances of trade. To the extent that the Hearing Officer proceeded on the basis that the PETMEDS element of a mark could not constitute the dominant and distinctive element if it was descriptive does not do full justice to the richness of the descriptiveness/distinctiveness spectrum.

Descriptiveness

39. Moreover, as to whether a mark is to be regarded as descriptive it is necessary to bear in mind that in *Celltech v OHMI (CELLTECH) (Intellectual property)* Case T-260/03, [2005] EUECJ T-260/03, the Court of First Instance, upholding an appeal against the refusal to register the mark CELLTECH for pharmaceuticals and related products and services said at [40]:

“...the Board of Appeal did not establish that the term ‘celltech’, even taken as meaning cell technology, is such as to be immediately and unambiguously perceived as designating activities in the field of cell technology and products, apparatus and equipment used in connection with or resulting from such activities. Nor did it establish

that the public targeted will view it purely as an indication of the type of goods and services designated by the sign.”

40. The mark was registrable unless “immediately and unambiguously” perceived as descriptive and even though the public may not purely have seen it as distinctive. The Court of Justice upheld that judgment (see *OHIM v Celltech (Intellectual property)* [2007] EUECJ C-273/05, [2007] ECR I-2883, saying, at [81], that the Court of First Instance had properly assessed the descriptive character of the mark CELLTECH considered as a whole and concluded that it was not established that the mark, even understood as meaning ‘cell technology’, was descriptive of the goods and services referred to in the application for registration. That shows that care must be taken before an element should be regarded as so descriptive as to make it very unlikely that the average consumer would treat it as a badge of origin at all.

Evidence

41. The opponent states that there was no evidence before the Hearing Officer to suggest that the term PETMEDS had been, or would even be used as a description.

42. One of the difficulties in this case is that the Hearing Officer had to decide the question of whether PETMEDS would have been viewed as descriptive by the average consumer without the benefit of evidence directed to that issue. The applicant, by its representatives, Field Fisher Waterhouse, served a notice of defence and counterclaim on form TM8, dated 9 March 2010 which stated as follows:

“The applicant denies that the marks at issue are sufficiently similar; and/or that the goods/services at issue are sufficiently similar, to give rise to a likelihood of confusion on the part of the relevant public.

In particular, the Applicant asserts that the element PETMEDS, which is the only element in common between the marks, is descriptive of the goods and services covered and must be left available for use by traders.”

43. The applicant makes a point in its skeleton, in another context, that there was ample opportunity for both sides to file evidence. Despite this and the specific plea of descriptiveness, there was no evidence showing how the term PETMEDS was used, including the use by third parties of the term in a descriptive sense. Nor does the term PETMEDS as such appear in any

established dictionary or other reference source of which the Registrar would be entitled to take judicial notice.

44. In *Perfetti Spa, Re* [1999] EWCA Civ 1766 (5 July 1999), Morritt LJ (as he then was) said:

“... the judge appears to have thought that there was evidence that the prefix CHLOR or CLOR was descriptive of Chlorophyll and/or freshness. Further, in the absence of such evidence, he was prepared to take judicial notice of that fact. By contrast, the hearing officer had said in terms that there was no evidence to indicate that the prefix had any descriptive connotations. Further, on examination in this court it has become apparent that the hearing officer was right on this issue. The only evidence which could have been in the judge's mind is that indicated on pages 84 and 84A of the bundle. These contain photographs of nine chewing gum wrappers where the word Chlorophyll or a variant appears on it and in two cases associated with the word "fresh". But, as is common ground, none of those wrappers was in use in the United Kingdom. Thus there was no evidence to justify the judge's comment with regard to the connotations of the prefix in the United Kingdom. In those circumstances there cannot have been such notorious use as would be necessary to entitle the judge to take judicial notice of the fact either. Accordingly it is necessary to approach the case on the footing that the marks are wholly distinctive and no part of either is descriptive.”

45. The court unanimously reversed the judgment of Laddie J on this basis.

46. In my view, in general, where a specific assertion is made that marks are not likely to be confused because the common element is descriptive, or otherwise common to the trade, the onus lies on the undertaking asserting that proposition to establish it, with evidence, unless the element in question is so obviously descriptive of the goods or services that judicial notice may properly be taken of it. That is not an unreasonable burden since, if a sign is in common descriptive use, that fact is likely to be easy to prove.

47. The limited evidence as to the use of the term PETMEDS before the Hearing Officer was twofold. First, use by the opponent, which has been in business since 1996 according to the evidence and whose US web-site claims that PetMeds is a registered trade mark. Second, by the applicant which, it is said on its web-site, was started in 2006, also appears to be using the term PETMEDS but in such a way as to identify its business, albeit as part of “petmeds.co.uk”.

48. The applicant submits that PETMEDS does not on its own function as a trade mark in its mark or the opponent's marks. However, the only material in evidence shows the term

PETMEDS being used, at least in part, as a trade mark and not purely descriptively. Perhaps other evidence would have shown that, contrary to the picture presented in the evidence before the Hearing Officer, use of the term “petmeds” is well established as describing veterinary and similar products. If so, the Hearing Officer’s conclusion would have had some force. However, in the absence of such material, the evidence upon which he had to act together with the fact of registration of the opponent’s marks, pointed all one way, namely to the term PETMEDS being used as and seen as trade mark. In those circumstances, in my judgment it was not open to the Hearing Officer to conclude, on the basis of his assumptions as to the approach the average consumer would take, that the use of PETMEDS would not be taken as anything other than a non-distinctive word. I think that the need for evidence was re-inforced in this case by the fact that the preliminary indication by the examiner at the IPO dated 19 August 2009 had suggested that the applicant’s mark was confusingly similar to the opponents’.

49. The Registrar has a wide ability to make determinations of distinctiveness and descriptiveness without always needing specific evidence. However, this is a case in which, in all the circumstances, the Registrar ought to have had proper evidence of descriptive use before concluding that the term PETMEDS would have been taken by the average consumer to be descriptive. To that extent, he fell into error. It is only fair to say that, in so doing, he was in good company (see the observations by Morritt LJ on the judgment of the highly experienced judge, Laddie J in *Perfetti*).

50. It follows that, in my judgment, the Hearing Officer approached the evaluation of the respective marks on the wrong basis namely that the common element was merely descriptive. That was a significant aspect of his evaluation and, in those circumstances, I must look at the matter afresh.

Global re-assessment

51. The approach to the global assessment has been repeatedly summarized, including by Geoffrey Hobbs QC, Appointed Person in *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10). He said:

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

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

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

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

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion."

52. That formulation was quoted with approval by the High Court (Mr Justice Arnold) in *Och-Ziff Management Europe Ltd & Anor v Och Capital LLP & Anor* [2010] EWHC 2599 (Ch) [2011] FSR 11, [2011] ECC 5, [2011] ETMR 1. I shall apply it in making a re-assessment. The degree of distinctiveness of the respective marks, and in particular,

whether common elements might be perceived to be descriptive, as articulated in the *FI* case, are relevant factors as well. This is, in any case, clear from *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* Case C-342/97 [1999] ECR I-3819, where the Court of Justice said at [28]:

“In the light of the foregoing, the answer to the questions referred to the Court must be that it is possible that mere aural similarity between trade marks may create a likelihood of confusion within the meaning of Article 5(1)(b) of the Directive. The more similar the goods or services covered and the more distinctive the earlier mark, the greater will be the likelihood of confusion. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make a global 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. In making that assessment, account should be taken of all relevant factors and, 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. It is not possible to state in general terms, for example by referring to given percentages relating to the degree of recognition attained by the mark within the relevant section of the public, when a mark has a strong distinctive character.”

53. It must also be remembered that the test of likelihood of confusion established in the cases referred to above is satisfied where there is a risk that the public might believe that the goods or services in question come from the same undertaking or economically linked undertakings.

54. Applying those principles and having regard to (i) the other findings of fact by the Hearing Officer on the similarity of the goods and services, (ii) the fact that PETMEDS is, at least, allusive to the goods and services in question and may be regarded as descriptive by some, (iii) the respect due to the Hearing Officer’s determination, I have come to the conclusion that there is a real risk of confusion having regard to the similarity of the marks and the similarity of the goods and services.

55. In reaching that conclusion, I consider the matter globally but take particularly into account the fact that PETMEDS is the common element of the marks which as regards the word element is identical. It is in my judgment the only element of the mark which an average member of the public would be likely to regard as having trade mark significance. Moreover, PETMEDS in both marks appears in the place where members of the public often expect to see a

term with origin denoting significance. It is common ground that the other matter of the respective marks is, at least not very distinctive and, in the case of “.co.uk” and “0-800” not distinctive at all. I also take into account the points made above in relation to the evidence (and absence of evidence) before the Hearing Officer.

56. I have also taken into account the Hearing Officer’s line of reasoning in paras. 36 and 37 and, in particular, whether the other elements of the respective marks make are sufficiently significant to render them dissimilar and have concluded that, on the assumption that PETMEDS is properly to be regarded as a distinctive element, it is the dominant one and the other matter does not prevent the signs from being sufficiently similar to cause confusion. In particular, there is force in the opponent’s argument that petmeds.co.uk may be seen as the internet offering of the goods and services offered by telephone under the opponent’s marks.

57. Finally, I have considered the applicant’s point that it would be wrong to grant effective exclusivity over a non-distinctive element because to do so would be contrary to the case law requiring that trade mark rights be tied to the function of a mark as indicating origin. While that point has theoretical justification, in my view it is difficult to sustain without solid evidence that the element PETMEDS was non-distinctive. If that element is shown elsewhere to be wholly non-distinctive, that may have consequences for the validity of any potential registration for PETMEDS as such. It does not affect this opposition in which, as I have said above, it has not been proven that PETMEDS does no origin-denoting work in the respective marks.

58. In my view, in all the circumstances, a real risk of confusion exists in relation to those goods and services in respect of which the term PETMEDS is most allusive and is perhaps greater in relation to those for which it is less allusive. The applicant says, with justification, that the case can be boiled down to a single question namely whether a likelihood of confusion can be found solely on the basis of the shared element PETMEDS. In my judgment, the answer in this case is yes.

59. I have also come to the conclusion that there is no material difference between the likelihood of confusion as between the particular goods or services for which application is made, having regard to their similarity with the goods for which the opponent’s marks were registered. In some cases, these are very close and in other cases reasonably so. In each case,

they have in common the supply of goods or services directly concerned with animal (and, in particular, pet) health and care.

60. This appeal will therefore be allowed and registration of the applicant's marks refused.

Costs

61. The Hearing Officer ordered PetMedExpress Inc to pay PetMeds £850 in respect of costs before him. I reverse that order and order PetMeds Limited to pay PetMedExpress Inc the sum of £1500 in total in respect of the proceedings before the Hearing Officer and on this appeal. This sum takes into account the modest evidence served and the brief submissions (written and oral) before the Hearing Officer and on appeal.

DANIEL ALEXANDER QC

Appointed Person

14 December 2011

Representation

Jonathan Hill instructed by Philips & Leigh for the opponent/appellant

Hastings Guise of Field Fisher Waterhouse for the applicant/respondent