

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION No. 3029335
IN THE NAME OF YOUMEDICAL BV**

**AND IN THE MATTER OF INVALIDATION No. 500431 THEREOF
IN THE NAME OF WARTNER EUROPE BV**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE APPLICANT FOR INVALIDATION
AGAINST A DECISION BY MR ALLAN JAMES
DATED 25 AUGUST 2015**

DECISION

Introduction

1. On 27 May 2014, Wartner Europe BV (“the Applicant”) applied under number 500431 to invalidate UK Trade Mark number 3029335 standing in the name of YouMedical BV (“the Proprietor”).
2. UK Trade Mark number 3029335 was applied for on 5 November 2013 (claiming a priority date of 21 May 2013 from Benelux Trade Mark number 1268592), and entered on the UK Register on 7 February 2014.
3. The registration is for the word trade mark WARTIE in respect of the following goods:

Class 3
Cosmetic preparations for body and skin care; disinfectant soaps

Class 5
Pharmaceutical preparations for body and skin care; including pharmaceutical products for dermatological use, also intended for treatment of external swelling of the skin, including warts, disinfectants for hygienic use
4. The Applicant claimed that the mark was invalidly registered:
 - (a) on absolute grounds under Section 47(1) of the Trade Marks Act 1994 (“the Act”) as having been registered contrary to Section 3(1)(c) and 3(1)(b) of the Act;
 - (b) on relative grounds under Section 47(2) as having been registered in breach of Section 5(2)(b) and 5(4)(a) of the Act.

5. In relation to (b) the Applicant relied first, upon its earlier UK and EU Trade Marks for the word trade mark WARTNER registered for identical/similar goods; second, upon its alleged earlier unregistered rights in WARTNER stylised and WARTNER stylised packaging used in the UK in relation to “pharmaceutical preparations for the removal of warts”.
6. The Proprietor took issue with the grounds of invalidation and each and every one of them in a Notice of defence and counterstatement filed on 26 August 2014.
7. Both sides filed evidence and arguments but since neither party requested a hearing, the application for invalidation was decided by Mr. Allan James, acting for the Registrar, on the basis of the papers before him.
8. Mr. James issued his decision under reference number BL O/405/15 on 25 August 2015. In short, he rejected the application for invalidity in its totality, and ordered the Applicant to pay to the Proprietor the sum of £2,250 as a contribution towards the costs of the Proprietor in defending the unsuccessful application.

The appeal

9. On 22 September 2015, the Applicant filed Notice of appeal to the Appointed Person under Section 76 of the Act against the decision of Mr. James. However, the appeal was limited to the decision of Mr. James under Section 47(1) and Section 3(1)(c) and 3(1)(b) of the Act (i.e., the alleged absolute grounds of invalidity); there was no challenge to his refusal to invalidate the mark under Section 47(2) and 5(2)(b) and/or 5(4)(a) (i.e., the claimed relative grounds of invalidity). The Proprietor filed a Respondent’s Notice on 23 October 2015.
10. At the appeal hearing before me, the Applicant was represented by Mr. Martin Howe of Queen’s Counsel, instructed by Stevens Hewlett & Perkins. The Proprietor was represented by Mr. Michael Edenborough of Queen’s Counsel, instructed by Cooley (UK) LLP.

Merits of the appeal

11. The essence of the appeal was that the Hearing Officer *wrongly* held that WARTIE was not descriptive of the characteristics of the goods. More specifically, that the Hearing Officer *should have held* that WARTIE was descriptive of the intended purpose of ointments and creams for the treatment of warts (Mr. Howe conceded that the other goods in Classes 3 and 5 covered by the registration in suit were of little interest to his client (Transcript page 2, lines 23 – 25)).
12. Section 3(1)(c) of the Act precludes the registration of “trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the ... intended purpose ... of goods ... or other characteristics of goods ...” (in the absence of acquired distinctiveness through use (proviso to Section 3(1)), which was not claimed by the Applicant).

13. It was accepted that if it were shown to be descriptive within the meaning of Section 3(1)(c), a trade mark must also be refused registration under Section 3(1)(b) as being devoid of any distinctive character within the latter exclusion.
14. There was no suggestion that Mr. James incorrectly instructed himself by reference to the summary of the case law under Section 3(1)(c) set out by Arnold J. in *Starbucks (HK) Ltd v. British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch), paragraphs 91 – 92. Indeed, Arnold J’s summary was in turn largely based on the authoritative judgment of the Court of Justice of the European Union (“CJEU”) in Case C-51/10 P, *Agencja Wydawnicza Technopol sp. z o.o. v. OHIM* [2011] ECR I-1541.
15. Mr. Howe took me in particular to paragraphs 38 and 39 of the judgment in *Agencja* (reproduced both in *Starbucks* and in the Hearing Officer’s decision) where the CJEU stated the law in these terms:

“38. With a view to ensuring that that objective of free use [the general interest underlying Section 3(1)(c)] is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of [Section 3(1)(c)] it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in Case C-80/09 P *Mergel and Others v OHIM*, paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and Case C- 363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 58). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).”

16. I note that the Hearing Officer also had in mind the principle established in Case C-191/01 P, *OHIM v. Wm. Wrigley Jr. Company* [2003] ECR I-12447, included in Arnold J.’s summary in *Starbucks* at paragraph 92:

“92. In addition, a sign is caught by the exclusion in from registration in [Section 3(1)(c)] if at least one of its possible meanings designates a characteristic of the goods or services concerned ...”

17. The Applicant contends that although the Hearing Officer stated the law correctly, he applied it incorrectly to the present facts. It is said that first, he wrongly distinguished between nominative and adjectival use of the word “wart”; second, he failed to assess the absolute registrability of WARTIE in situ, by which was meant in relation to the goods in question; third, he omitted to take into account aural use.

18. The Hearing Officer's determination under Section 3(1)(c) was as follows:

“28. It is common ground that WARTIE is phonetically the same as WARTY and that WARTY means, inter alia, ‘afflicted with warts on the skin’. It is therefore a reference to a person or thing afflicted by warts. It is not a word which describes warts as such. The proprietor submits that the applicant has not adequately explained how a word which describes a person or thing afflicted by warts corresponds to a description of a characteristic of a wart removing product. I agree. The word does not describe the kind of product: that would be a ‘wart’ product or a ‘wart removing product’ or similar. It does not describe the intended purpose of the product, which is plainly not to make one ‘warty’. It is not obvious to me that the word ‘warty’ describes any characteristic of a wart removing product. The phonetic equivalence of WARTIE to WARTY is therefore irrelevant and I reject the ground for invalidation based on s.3(1)(c).”

19. It is convenient for the sake of argument also to record here the Hearing Officer's findings under Section 3(1)(b).

20. Having referred to the well-known guidance summarised by the CJEU in Case C-265/09 P, *OHIM v. BORCO-Marken-Import Matthiesen GmbH & Co. KG* [2010] ECR I-8265 at paragraphs 29 – 32 (including that distinctiveness must be assessed first, in relation to the goods and second, by reference to the perception of them by the relevant public), the Hearing Officer said:

“30. The applicant has not explained why WARTIE is devoid of any distinctive character, except that it is phonetically equivalent to, and possibly an alternative spelling of, WARTY. The evidence does not establish that consumers of the goods at issue would recognise WARTIE as an alternative spelling of WARTY. The appearance of WARTIE in the Oxford Dictionary as an alternative spelling of WARTY does not establish that consumers would recognise it as such [*HARLEQUIN SHELLAC Trade Mark*, BL O/500/14]. Therefore, without further evidence, I do not accept that the public will recognise WARTIE as either a misspelling, or as an alternative spelling, of ‘warty’. Further, the evidence points to the goods being self selected over-the-counter products. If so, the visual impression created by the mark is likely to be of most importance. In these circumstances the phonetic equivalence between WARTIE and ‘Warty’ may not be sufficient to deny WARTIE a distinctive character, even if WARTY itself is not distinctive.

31. It is not necessary to decide that point because even the word ‘Warty’ does no more than to allude to the character of wart removing products. This does not mean that it is devoid of any distinctive character for such products. I see no reason why WARTIE is incapable of distinguishing the proprietor's goods, even where these are wart removing products. I therefore also reject the ground for invalidation based on s.3(1)(b).”

Argument

Contradictory findings

21. The Applicant argued that the Hearing Officer's determination in paragraph 28 of the Decision (see para. 18 above) was in direct contradiction to his later findings in paragraph 68 that "WART" was:

"... manifestly descriptive and therefore non-distinctive for the principal goods of interest to the parties ..."

And

"... inherently highly descriptive of a wart and verruca remover and the relevant public can be expected to recognise this ..."

22. At paragraph 68 of the Decision, the Hearing Officer was in the midst of getting together his conclusions regarding the relevant factors to be taken into account in his global assessment of likelihood of confusion¹ between WARTIE (registered) and WARTNER (earlier trade mark), including the distinctiveness of the earlier trade mark, and where that distinctive character might lie.
23. It is well-established that the global assessment of likelihood of confusion for the purposes of the relative grounds of invalidity is not the same as the examination to be performed by the tribunal when deciding absolute ground invalidity (Case C-196/11 P, *Formula One Licensing BV v. OHIM*, 24 May 2012, para. 41).
24. It is also well-established that for the purposes of the comparison between competing marks, the tribunal is required to take account of the overall impression of the marks on the average consumer of the goods in question bearing in mind their dominant and distinctive components, and the relevant weight those components are likely to carry in the perceptions of the average consumer (Case C-591/12 P, *Bimbo SA v. OHIM*, 8 May 2014, para. 34).
25. Thus when comparing the marks at paragraphs 42 – 48 of the Decision, the Hearing Officer found that overall, the aural and visual similarities between the marks due to their common prefixes WART were reduced because those prefixes were descriptive in relation to the goods of interest to the parties. The different endings in the marks – IE v. NER – resulted overall in a moderate degree only of aural and visual similarity between the marks (although a medium degree of conceptual similarity when used for wart and verruca products).
26. Further, carrying on from paragraph 68 with his findings on likelihood of confusion, the Hearing Officer relevantly concluded on that issue (footnote mine):

"69. Consequently, even though the earlier mark has an above average level of distinctiveness as a whole², I do not find that the distinctiveness of WARTNER means that there is an enhanced likelihood of confusion as the

¹ Under Section 5(2)(b) of the Act.

² The Hearing Officer held that the Opponent's evidence established that the distinctiveness of WARTNER had been enhanced for wart and verruca products through the use made of it (paras. 56 – 57).

result a third party using a mark with WART as its prefix (or suffix) in relation to wart and verruca removers.

70. This does not exclude a likelihood of confusion as a result of the use of WART as a prefix for WARTIE and WARTNER in combination with other (distinctive) similarities between the marks. The applicant points to the marks being similar in length and that the respective suffixes contain a letter E. However, for the reasons given above I do not find that these points add materially to the overall level of similarity between the marks.

71. Even allowing for imperfect recollection, I see no likelihood that a reasonably observant average consumer paying a normal degree of attention is likely to visually or aurally confuse WARTNER with WARTIE for wart and verruca removers.

[...]

74. The applicant has not specifically advanced its case based on the likelihood of indirect confusion, or ‘association’ to use the word from the Act, but for the avoidance of doubt I record that I have considered such a likelihood and rejected it. This is because I do not consider that the commonality of the prefixes of WARTIE and WARTNER is sufficient by itself to create a risk that the public will believe that the users of the respective marks are the same, or are economically connected, and I have rejected the applicant’s arguments that there are other material similarities between the marks.”

27. I do not agree, therefore, that paragraphs 28 and 68 of the Decision were necessarily contradictory as advanced by the Applicant. At paragraph 68 of the Decision, the Hearing Officer was (as identified above) dealing with a different issue namely, the dominance and distinctiveness of the common element WART in the overall impressions of the marks WARTIE versus WARTNER in the minds of the relevant public when viewed in connection with wart and verruca products. By contrast, at paragraph 28 of the Decision the Hearing Officer was considering the alleged applicability of the absolute ground for invalidity in Section 47(1)/Section 3(1)(c) to the trade mark WARTIE as a whole (i.e., not the element WART, which was not the trade mark applied for) in relation to the goods of interest to the parties.

Medical condition

28. Mr. Howe argued that WARTIE was equally descriptive (to WART) in relation to wart and verruca products because the intended purpose of a pharmaceutical product covers the medical condition it is intended to treat.
29. Nevertheless, as the Hearing Officer correctly identified, the medical condition the goods were intended to treat was warts (and verrucae).
30. Mr. Howe argued that a perfectly apt description of the products in suit would be: “an ointment or preparation for the treatment of warty skin”.

31. In my view, the word “warty” in that context was being used to characterise the skin in question (as per the accepted definition of “afflicted with warts”) and not the medical condition itself which was warts (or verrucae).
32. As the Hearing Officer noted, WARTIE (if understood by the average consumer as WARTY) was an oxymoron when used in relation to wart and verruca products whose purpose was not to make the consumer “warty”.

First line of defence

33. I accept Mr. Howe’s point that the absolute ground for invalidity in Section 3(1)(c) should form the first line of defence in allowing other traders freely to use descriptive terms. That said, it seems to me that use of a descriptive phrase like “for the treatment of warty skin” would not engage the registered trade mark infringement provisions in the first place, so that reliance on the defence in Section 11(1)(b) would not be material (first or second line) (Case C-2/00, *Michael Hölderhoff v. Ulrich Freiesleben* [2002] ECR I-4187).

In situ

34. I also reject the Applicant’s contention that the Hearing Officer failed to consider the Section 3(1)(c) ground in the context of the registered goods. To my mind it was absolutely clear that he had the disputed goods – wart and verruca removing products – firmly in mind throughout his assessment of the registrability of WARTIE under Section 3(1)(c) and 3(1)(b).

Aural aspect

35. The Hearing Officer did not accept the Applicant’s argument that the public would recognise WARTIE as an alternative spelling of WARTY, which does not appear to have been challenged by the Applicant. Nevertheless, he went on to say that wart remover products were likely to be self-selected over-the-counter products so that the visual aspect was likely to be of more importance.
36. The Applicant sought to persuade me that this meant that the Hearing Officer failed to take into account the aural aspect of the phonetic equivalence of WARTIE and WARTY. Mr. Howe mentioned in that respect, the possibility of wart removing products being available on prescription only.
37. First, I do not accept that the Hearing Officer ignored the aural aspect. He expressly stated that he considered this both in connection with the descriptiveness (para. 28) and non-distinctiveness (paras. 30 – 31) objections raised by the Applicant. He concluded essentially that since “warty” did not describe any characteristic of wart removers (see above), the phonetic equivalence of WARTIE to WARTY was irrelevant.
38. Second, I agree with Mr. Edenborough’s point that prescription-only products were likely to reduce the importance of the aural aspect since the prescription would be in writing and dispensed by a pharmacist.

Respondent's notice

39. At this point, it is convenient to deal with the new argument raised in the Respondent's notice that WARTIE would be pronounced WAR-TIE or WART-EYE and thus phonetically be distinguishable from WARTY. I agree with Mr. Howe that this point was a non-starter.

Conclusion

40. For the reasons stated above, in my judgment the Hearing Officer did not fall into error in rejecting the Applicant's challenge to the mark under Section 47(1)/Section 3(1)(c) and 3(1)(b) of the Act.
41. The appeal has, therefore, been unsuccessful.
42. In addition to the costs order made by the Hearing Officer (which stands), I will order the Applicant to pay to the Proprietor the sum of £500 as a contribution towards the Proprietor's costs of this appeal. The total sum in costs of £2,750 is to be paid by the Applicant to the Proprietor within 28 days of the date of this decision.

Professor Ruth Annand, 10 August 2016

Mr. Martin Howe QC instructed by Stevens Hewlett & Partners appeared for the Applicant/Appellant

Mr. Michael Edenborough QC instructed by Cooley (UK) LLP appeared for the Proprietor/Respondent