



Companies and Intellectual
Property Commission

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**IN THE TRIBUNAL OF THE REGISTRAR OF TRADE MARKS
TRADE MARKS ACT, ACT 194 OF 1993**

HERITAGE RESOURCE LIMITED

Applicant

and

MERCK KGaA

Opponent

JUDGMENT

The Applicant is Heritage Resources Limited, a company of the Isle of Mann (hereinafter referred to as "the Applicant"). The Applicant had applied for the registration of the trade mark NEUROTRON under application no. 2006/11071 in class 5 in respect of:

"Pharmaceutical and veterinary preparations, sanitary preparations for medical purposes, dietetic substances adapted for medical use, food for babies, plasters, materials for dressings, materials for stopping teeth, dental wash, disinfectants, preparations for destroying vermin, fungicides, herbicides"

The application was filed on 22 May 2006 and advertised in the Patent Journal of November 2007.

The Opponent is MERCK KGaA, a German company and the proprietor of trade mark registration no. 73/01089 NEUROBION in class in respect of:

"Pharmaceutical, veterinary and sanitary substances."

Subsequent to the filing of the opposition, the Applicant amended the specification of the goods to which the trade mark related to:

"Dietetic substances adapted for medical use available only through a direct sales network marketing model".

Counsel for the Opponent indicated that there was no objection to the amendment of the goods, except to submit that the amendment did not assist the Applicant. Counsel

for the Opponent indicated that the remaining goods still fell within the specification of goods to which the Opponent's trade mark related, and thus the likelihood of confusion remained.

The Opponent contended that the trade mark NEUROTRON was confusingly and deceptively similar to its trade mark NEUROBION. The Opponent therefore based its oppositions on the provisions of Section 10(14) of the Trade Marks Act, Act 194 of 1993 ("the Act"), which provides as follows:

"Unregistrable trade marks.-

The following marks shall not be registered as trade marks or, if registered as trade marks or, if registered, shall, subject to the provisions of section 3 and 70, be liable to be removed from the register:

(14) subject to the provisions of section 14, a mark which is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the use in relation to goods or services in respect of which it is sought to be registered and which are the same as or so similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such trade mark."

It was common cause that the onus was upon the Applicant to satisfy the Tribunal that there was no reasonable probability of confusion or deception, and that its mark otherwise qualified for registration. If the Applicant was not able to discharge this onus,

the application should be refused. The effect thereof was thus that should the Applicant not be able to tip the scales of probabilities in its favour, or the Registrar was of the view that the probabilities were equal, the subject trade application should be refused. In this regard Counsel for the Opponent cited **Accurate Watch Co v Accurist Watches Ltd 2004 BIP 115 (RTM) at 117B-C**, where the following was said:

“The applicant has the onus of proving that a trade mark qualifies for registration. If there is any doubt whether the mark should be registered, the application should be refused. What the applicant has to establish is that there is no reasonable probability, i.e. no likelihood, of consumer deception or confusion”.

It was further also common cause that the Tribunal had to decide whether there was a likelihood of confusion between the use of the trade mark NEUROTRON, in view of the existence of the trade mark NEUROBION registered in relation to similar goods as those in respect of which the Applicant sought registration.

Counsel for the Opponent submitted that if the Applicant was unable to disprove the likelihood of such deception or confusion, its application should be refused.

Counsel for the Opponent stated in her heads of argument that an opposition based on Section 10(14) of the Act required an almost clinical comparison on two legs: firstly a comparison of the marks NEUROBION and NEUROTRON, and secondly, a comparison of the goods to which the respective marks related, as they appeared on the Register.

In support of the above contention, Counsel for the Opponent cited *Khan's Chemical Industry CC v Unilever PLC 2004 BIP 107 (RTM) at 109 C-F*, where the Honourable Mr Justice Spoelstra, acting as the Registrar of Trade Marks, held as follows:

"The dispute between the parties is whether the applicant's mark is so similar to the Opponent's mark, that the use thereof in relation the goods or services in respect of which it is sought to be registered and which are the same as or so similar to the goods or services in respect of which such trade mark is registered would be likely to deceive or cause confusion.

The wording of the section does not require any party to prove extensive use. The manner or extent of use of the mark by the respective parties would only be relevant should it have a bearing on a finding as to whether or not there is a likelihood of deception or confusion as to the origin of the goods. In one case it may carry much weight but may be wholly irrelevant or of very slight significance in another. The premise is that each party uses its mark in a normal and fair manner. Whether or not contesting marks could be likely to deceive or cause confusion is a matter of fact to be decided on the facts of a particular case. It is common cause that the applicant bears the onus of proof to satisfy this tribunal that there is no reasonable probability of deception or confusion and that the mark is therefore registrable."

It was further held (at 109 G-110B) that:

"The approach to be adopted to an enquiry of this nature is formulated as follows in Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd 1984 (3) SA 623 (A) at 640-641:

"The determination of these questions involves essentially a comparison between the mark used by the defendant and the registered mark and, having regard to the similarities and differences in the two marks, an assessment of the impact which the defendant's mark would make upon the average type of customer who would likely purchase the kind of goods to which the mark is applied. This notional customer must be perceived as a person of average intelligence, having proper eyesight and buying with caution. The comparison must be made with reference to the sense, sound and appearance of the marks. The marks must be viewed as they would be encountered in the market place and against a background of relevant surrounding circumstances. The marks should not only be considered side by side, but also separately. It must be borne in mind that the ordinary purchaser may encounter goods, bearing the defendant's mark, with an imperfect recollection of the registered mark and due allowance must be made for this. If each of the marks contains a main or dominant feature or idea the likely impact made by this on the mind of the customer must be taken into account. As it has been put, marks are remembered rather by general impression or by some significant or striking feature than by a photographic recollection of the whole. And finally consideration must be given to the manner in which the marks are likely to be employed as, for example, the use of name marks in conjunction with generic description of goods."

Counsel for the Opponent submitted further in her heads of argument that the test applicable could be equated to the test for an opposition in terms of section 17(1) of the 1963 Trade Marks Act. In this regard she cited **Cowbell AG v ICS Holdings Limited 2001 (30 SA 941 SCA at 947 H-948 D**, where the test was stated as follows:

“Section 17(1) creates an absolute bar to registration provided the jurisdictional fact is present, namely that the use of both marks in relation to the goods or services in respect of which they are sought to be registered, and registered, would be likely to deceive or cause confusion. The decision involves a value judgment and the ultimate test is, after all, as I have already indicated, whether on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both are to be used together in a normal and fair manner, in the ordinary course of business.”

As far as the comparison of marks was concerned, the possibility of confusion or deception amongst purchasers or potential purchasers of the relevant goods, or users of the relevant services, must be determined. The purchaser, or user, was the ordinary person, one who was neither very careful nor very careless and ignorant **(Searles Industrials (Pty) Ltd v International Power Marketing (Pty) Ltd 1984 (4) SA 123 (T) at 127 A-B)**. The global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive or dominant components **(Cowbell (supra) at 947 H-948 D)**.

Counsel for the Opponent also submitted that it was the public that must be considered. The Court must be satisfied that there was a real tangible danger of confusion resulting from the use of the mark in question.

The rules applicable to the comparison of two words were laid down in **Pianotist Company Ltd Orchestrelle Company (1906) 23 RPC 774**, where Parker J said the following:

“You must take the two words. You must judge them both by their look and their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the surrounding circumstances, and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.”

It sufficed to say that not only should the marks be compared side by side but consideration must be given to whether the average consumer in the market place would probably be deceived or confused by their similarity. It had been made clear by Corbett JA that the main or dominant features of the marks in question, as well as the general impression and any striking features were all factors to be considered in deciding whether there was a likelihood of deception or confusion (**Bata Ltd v Face Fashions CC 2001 (1) SA 844 (SCA) at 850 D – F**).

Counsel for the Opponent contended that it was the normal and fair use the Opponent might make of its trade mark that the Tribunal should have regard to. The Tribunal should have regard only to the trade marks as they appeared on the register, without regard to any extraneous matter. In that regard, the test to be applied was much akin to that in a trade mark infringement matter.

The comparison, argued Counsel for the Opponent, was between use of the mark NEUROTRON in respect of *"dietetic substances adapted for medical use available only through a direct sales network marketing model"*, with the use of NEUROBION in respect of *"Pharmaceutical, veterinary and sanitary substances."*

Counsel for the Opponent submitted that the marks were visually similar, as each commenced with the prefix "NEURO" and ended with the suffix "ON". It was unlikely that a consumer, with an imperfect recollection, would notice the difference. She argued, further that the trade marks consisted of the same number of letters. In use the features of both marks were both visually and phonetically the same, and thus there was a real likelihood of confusion. It was submitted, once the notional use test was applied correctly, there was a real likelihood of confusion.

In reply Counsel for the Applicant submitted that the Opponent had failed to make out a case for the refusal of its application based on Section 10(14) of the Act.

After publication of the trade mark application in the Patent Journal, the Applicant filed a TM2 with the Registrar for amendment of the specification as stated above. Notwithstanding the application to amend the specification of goods, the Opponent persisted with its opposition, as in its opinion the amendment did not diminish the likelihood of confusion.

Sportron International (Pty) Ltd, a South African company, was the licensed user of the intellectual property rights of the Applicant. It marketed and sold its products derived from the Applicant's specialized product formula, one of which was the NEUROTRON product. Sportron made use of direct marketing and supplied the NEUROTRON product directly to clients. The products were accordingly pharmaceutical products, and were only available through direct marketing channels or from Sportron's website.

Counsel for the Applicant submitted that the Opponent was a pharmaceutical company and its product was a prescription drug. The Applicant and the Opponent operated in different markets and the Applicant's products could not be confused with the Opponent's pharmaceutical products. The Applicant's product was not a prescription product, nor was it sold over the counter. The trade channels were also different.

In support of the Applicant's marketing strategy and trade channels, Counsel submitted that it had been stated under oath by Mr Royston John Knowels what the Applicant's business and marketing strategy was. It was also very important that despite the Applicant's product having been in the market since 1993, there was no evidence of

actual confusion or deception since this time. It was therefore highly improbable that such deception or confusion would arise.

Although marks, if subjected to close scrutiny, may disclose many points of difference, the dominant feature of the competing trade marks played a decisive role in the test whether or not they were capable of co-existence. The general impression and/or idea conveyed by the mark must be considered *(Registrar of Trade Marks v American Cigarettes Co 1966 (2) SA 563 at 576 D-H)*.

Confusion or deception existed when there was a probability that a substantial number of persons would be deceived into thinking that one person's product was the product of another, or that there was a material connection between the respective parties' products. Deception or confusion needed only last for a fraction of time. If people merely wondered whether the goods had been made by another person, then the trade mark was one which was likely to cause confusion *(John Craig (Pty) Ltd v Dupa Clothing Industries 1977 (3) SA 144 at 150H)*.

Counsel for the Applicant submitted that the prefix "NEURO" appeared to be common in the class, .i.e. in class 5. That was in view of what was in paragraph 11.2 of the answering affidavit, where reference was made to printouts from the Trade Marks Register of trade marks registered, accepted and pending, all which began with the prefix "NEURO". As the prefix was clearly common in class 5, Counsel for the Applicant

argued that no single proprietor should be entitled to obtain a monopoly over these letters.

Counsel for the Applicant further stated that where there was a multiplicity of registrations those may be given weight in deciding whether a mark contained matter common to the trade, without actual proof of use.

In view of those submissions Counsel for the Applicant concluded that, upon comparison, the trade marks were not confusingly or deceptively similar. There was no overlap of the goods as specified under the respective specifications. Furthermore, Counsel for the Applicant argued the Opponent was a pharmaceutical company and the Applicant was a network marketing company of food supplements and lifestyle products, therefore the industries in which the parties were involved were significantly different, and as such it was unlikely that deception would arise.

In view of the arguments, Counsel for the Applicant submitted that there was no case made out by the Opponent in terms of Section 10(14) of the Act, and that the opposition should be dismissed.

When I considered the goods covered under the competing marks, in my opinion there was an overlap in that the Applicant's "dietetic substances adapted for medical use" could also fall within the Opponent's "pharmaceutical" goods. The Applicant's case was

not at all helped by the contention that its product was a specifically formulated food supplement containing vitamins, combined with a Western herbal blend.

A further consideration was the fact that there would not be an intervention of a pharmacist when a consumer, with imperfect recollection of the Opponent's NEUROBION mark, encountered the Applicant's NEUROTRON mark. In the absence of such intervention, I was of the opinion that there was a likelihood of deception or confusion.

It was common cause that the Tribunal had to look at the overall impact of the mark, particularly the mark as a whole. NEUROBION and NEUROTRON were in my opinion very similar. When I looked at the two marks, there was a minimal difference between the two marks, in that the beginning of the two words was the same.

HONEST CONCURRENT USER APPLICATION

The Applicant had also made an application for its application to proceed as one of honest concurrent user, in the event of a finding that there was a likelihood of deception or confusion. This application was based on the following factors: the alleged substantial use of the mark NEUROTRON, as well as the sales and advertising figures as provided in Mr Knowel's Affidavit.

Counsel for the Applicant contended that as far as confusion was concerned, there had been no evidence of any confusion during the time in which the products co-existed.

Concurrent use could be permitted in the sense that the marks had been used side-by-side for 17 years. The Applicant's products were distributed by 285 000 distributors. It was further argued that there could be no basis for the contention that the adoption of the Applicant's mark was not honest and *bona fide*.

It was on the basis of the above factors that the Applicant requested the registration of the mark in terms of Section 14 of the Act, should the opposition succeed.

Section 14(1) of the Act provides as follows:

"14. Honest concurrent use:-

(1) In the case of honest concurrent use or of other special circumstances which may make it proper to do so, the registrar may, on application in the prescribed manner, register, subject to such conditions and limitations, if any, as he may think fit to impose, a trade mark registration of which would otherwise offend against the provisions of paragraphs (6), (14), (15) or (17) of section 10."

Regulation 17 of the Regulations under the Act, deals with the prescribed manner in which an application in terms of Section 14 should be brought:

"17. Honest concurrent user or other special circumstances applications (Section 14):-

An application in terms of the provisions of section 14(1) of the Act shall be made on form TM1 accompanied by a statement of case and an affidavit in support of it.”

Counsel for the Opponent opposed this application, on the basis that the Applicant had not yet filed a TM1 in terms of which it sought to amend its current application to one in terms of Section 14. Therefore, the conditional application could not be considered at that stage

Counsel for the Opponent submitted that, in order to succeed in its application, the Applicant had to show that its use of the mark NEUROTRON had been honest. The Applicant claimed to have commenced its use of the mark NEUROTRON in 1996, i.e. 17 years after the registration of the Opponent’s mark. The authors *Webster & Page in para 6.17* states the following:

“Where the evidence establishes that the applicant’s use was anterior to that of the proprietor of the registered trade mark little difficulty is experienced in establishing honesty of use. In the Barlow & Jones case Solomon J said:

*It is clear that the English Acts and our Proclamation contemplated that there might be on the register at the same time two identical marks, or two marks so similar as to be calculated to deceive, and the principles which guide the Court when an application of this nature is made for special leave are laid down by JESSEL, Master of the Rolls, in the case referred to in the course of the judgment-*In re Jelley, Son & Jones Application* (51 LJ Ch 639), *If two people have a right to the lawful use of an old trade mark they are both entitled to register it. I have decided the question scores of times,**

there is no doubt about it. The Trade Marks Act does not deprive people of their right to trade marks. I have often had a case of a man in one town not knowing that another man in another town has used the same mark, and he has got his trade mark registered. The second applicant must prove his title, that is all. The Rule of the Court mentioned in sec 6 is not capricious leave. The Rule of the Court which I have just stated is always followed, and merely means that the second man must show his title. You cannot deprive him of the trade mark. Look at the monstrous injustice that would be done if a man, who had had a trade mark for perhaps forty years, should loose because of another man who had it for years had happened to register first.”

Where, however, the applicant first adopted and commenced use of his trade mark from a date subsequent to the date of first use or registration by the respondent, he will have to satisfy the court or Registrar that his adoption was honest. Where the prior mark has been copied it will virtually be impossible for the applicant to establish that his user has been honest. Much must necessarily depend upon the nature of the respondent's trade mark, if it is an invented word or a very unusual word, it is highly unlikely that the two persons would, by coincidence, light upon the same or even a confusingly similar word. On the other hand if the word is partly descriptive it is not so unlikely. Thus in the Chemisch-Pharmazeutische case, Tindall J was satisfied, because of the existence of the root in “pulmonary”, that the two words “Pulmin” and “Transpulmin” had independently and honestly been adopted (the word “pulmonary” related indirectly to the goods concerned). The question is merely a matter of evidence, but it is for the applicant to prove that his choice and use of the word was

from its inception honest, if he fails to do so no amount of subsequent user can cure the initial taint.”

Counsel for the Opponent submitted that, despite the bald statement, the Applicant had not shown its adoption of the trade NEUROTRON was honest. It would have been expected that the Applicant should tender an explanation as to how it adopted the mark. As result of such failure the conditional application should fail.

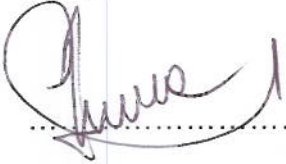
It was my considered finding that the honest concurrent use application was flawed. Apart from the Applicant's submission that the mark was in use since 1996, there was no evidence attached to support such allegations. The Applicant had not provided evidence such as any labels nor advertisements promoting the mark over the years. Furthermore, nothing was placed before the Tribunal to show the extent of the use of the mark. The Applicant in my view, failed to comply with the procedure as laid down in Regulation 17 .i.e. the filing of a form TM1, together with statement of case and an affidavit.

It was in view of the above that the Tribunal could not find that the Applicant discharged the onus to show that its trade mark was registrable in the face of the Opponent's NEUROBION mark, and that its adoption of the NEUROTRON was honest since the Opponent's NEUROBION had been on the register and used for over 20 years

In the result the following order was made:

(i) The opposition was upheld with costs, and

(ii) The honest concurrent user application was also dismissed



A handwritten signature in dark ink, appearing to read 'A N Tuwe', is written over a horizontal dotted line.

A N TUWE (MR)

MANAGER: TRADE MARKS (LEGAL)

05.....SEPTEMBER 2013