

DECISION OF THE REGISTRAR OF TRADEMARKS IN THE MATTER OF TRADEMARK APPLICATION NO. 137/2006 BULL DIAMOND IN CLASS 5 AND OPPOSITION THERETO

Between

HORIZON PHARMACEUTICALS LIMITED

APPLICANT

And

DIVSON PHARMACEUTICALS LIMITED

OPPONENT

Before Mrs. A.M. Banda-Bobo, Registrar of Trademarks

For the Applicant: Mr.Zain Hamir & Ms.Shamela Vally, Christopher, Russell

Cook & Co.

For the Opponent: Messrs Gajender Arora & Pramod Kaptan

Cases and Authorities referred to:

Trade Marks Act Cap 401 of the Laws of Zambia

Trade Kings Limited v The Attorney General (1999) ZR p 53

Pianotist Company's Application (1906) 23 RPC 774

British Sugar Plc v James Roberson and Sons (1996) RPC 281

William Bailey's Application (1935) 52 R.P.C. 135

Intellectual Property, 3rd edition, by Professor W. R. Cornish

This is a matter in which Divson Pharmaceuticals Ltd (hereinafter called 'the Opponent') is contesting the registration of the trademark 'BULL DIAMOND' by Horizon Pharmaceuticals Ltd (hereinafter called 'the Applicant'). The grounds of opposition as set out in the Notice of Opposition filed on 2nd October 2006 are, *inter alia*, that the application violates sections 16 and 17(1) of the Trade Marks Act Cap 401 of the Laws of Zambia as the name 'BULL DIAMOND' is

phonetically similar to the registered trademark 'BLUE DIAMOND'. Further, that the name 'BULL DIAMOND' was deliberately chosen to deceive the public as the design, colour and packaging of the Applicant's tablets are also confusingly similar to those of the Opponent. The Opponent also alleged that prior to filling the application, the Applicant procured from the Opponent products ascribed with its 'BLUE DIAMOND' trademark and therefore had foreknowledge of the existence of the trademark. It was thus the Opponent's case, that if registered, the Applicant's trademark would create confusion to unconcerned or illiterate consumers.

In response, the Applicant, in its Counter Statement filed on 21st November 2006, refuted allegations that 'BULL DIAMOND' was deliberately chosen to deceive the public and argued that the two trademarks were not phonetically similar and were distinct in meaning. It was averred that whereas 'BLUE' described the colour, 'BULL' signified the strength the brand provides. The Applicant also argued that the word 'DIAMOND' was commonly used in a plethora of pharmaceutical products. According to the Applicant, however, its use of 'DIAMOND' in 'BULL DIAMOND' was merely to signify the appearance of Sildenafil Citrate tablets.

The Applicant further alleged that contrary to assertions by the Opponent, the design, colour and number of its tablets was consistent with almost all Sildenafil generics and that, more over, 'BULL DIAMOND' had been registered with the Pharmaceutical Regulatory Authority under license number 265/002. It was also the Applicant's argument that the colour coding of the external packages were different and that, if anything, the Opponent could not have acquired exclusive monopoly to the use of the colour and shape of the product. It was thus the Applicant's case that registration of its trademark could neither create confusion nor deception because, over and above the foregoing, Sildenafil products being prescription products, pharmacists would be able to guide users.

In its Affidavit in Opposition filed on 22nd December 2006, however, the Opponent denied that the word 'DIAMOND' was commonly used as alledged nor that it described the shape of Sildenafil. The Opponent also reaffirmed its view that 'BLUE' and 'BULL' were phonetically similar and denied that the word 'BLUE' in its trademark represented the colour of the product as alleged by the Applicant. It was also deposed that at no time during business dealings between the two parties did the Applicant object to the use by the Opponent of its packaging material or any of the other non-trademark matter such as strength, colouring, number of tablets par packet etc. The Opponent concluded by arguing that licensing by the Pharmaceutical Regulatory Board was immaterial to this matter.

The Applicant responded in its Affidavit in Reply filed on 21st February 2007 that the word 'DIAMOND' described a mineral or chemical content, as such, it should be disclaimed in both trademarks. The Applicant also exhibited to the Affidavit, an instructions manual for the 'BLUE DIAMOND' brand, part of which read, '...SILDENAFIL tablets are blue in colour, rounded, diamond shaped..' and argued that these words showed that the Opponent was contradicting itself by claiming 'DIAMOND' had nothing to do with the shape and colour of the product. The Applicant further deposed that all tablets mentioned in the Affidavit in Support of Opposition were diamond shaped and that three-dimensional shapes were not registrable as trademarks. It was also contended that it was of no consequence whether the Applicant purchased products from the Opponent. The Applicant concluded by alleging that the Opponent did not respond in its Affidavit in Support of Opposition to allegations of Sildenafil being a prescription drug.

The Affidavit evidence was supported by oral submissions at a hearing held on 1st July 2008. At the hearing, the Applicant reiterated that the Opponent's trademark consisted of shape and colour. Three different brands of Sildenafil, all blue in colour and somewhat diamond shaped, including that of the Opponent, were exhibited. A page from Men's Health magazine, an international men's

magazine, was also exhibited as proof that Sildenafil tablets are blue in colour and diamond shaped. Mr. Hamir further submitted on behalf of the Applicant that the exhibited instruction manual also proved that Sildenafil was blue as it did not say '...Blue Diamond is blue in colour...' but that '...Sildenafil tablets are blue in colour ...'. It was thus counsel's contention that the brand name 'BLUE DIAMOND' was not distinctive as the colour blue was common to the trade and that, accordingly, the word 'BLUE' should have been disclaimed.

My attention was also drawn to paragraph 15 of the Applicant's Affidavit in Reply in which it was allegedly demonstrated that the words 'BLUE' and 'BULL' could not be confused and that they could only be phonetically similar if the vowels were not different. The Opponent's letter dated 21st July, 2005, in which customers were warned of similar sounding brands on the market, was also exhibited. Further, I was invited to take note that the Opponent's trademark made reference to the character of the product and therefore violated section (14)(d) of the Trade Marks Act.

The Applicant also reiterated the view that since Sildenafil was a prescription drug, a pharmacist could avail a patient all Sildenafil brands in stock. Mr. Hamir concluded by arguing that, in essence, all Sildenafil tablets were 'BLUE DIAMOND' tablets and given that the two trademarks were not confusing, the Applicant saw no reason why they could not co-exist. He added that his client had no contention with the Opponents undertaking in paragraph 15 of the Affidavit in Support of Opposition to bear costs of the Opposition.

The Opponent, in response, submitted that whereas the Applicant seemed to be mainly concerned with the color and shape of Sildenafil, at issue were the brand names 'BLUE DIAMOND' and 'BULL DIAMOND'. It was argued that given the different accents coupled with the high illiteracy levels in Zambia, the two trademarks were likely to be confused and that, in fact, a survey conducted by

the Opponent confirmed that to be the case. It was alleged that in some cases, 'blue' was pronounced as 'brue'.

It was further contended that even pharmacists and doctors were not immune from confusion or deception. The Opponent buttressed this view by arguing that, if anything, given the manner medical doctors generally write, their handwritings in particular, their prescriptions were susceptible to being misread even by pharmacists. The Applicant further argued that, in any case, distributors and manufactures of pharmaceutical products market brand names to medical doctor's who in turn prescribe particular brands to patients. The Opponent concluded by submitting that its opposition hinged on the pronunciation and the way prescriptions were written.

Both parties also conceded not to be manufacturers of their products but claimed to have been licensed by both the respective manufacturers and the Pharmaceutical Regulatory Authority, to trade in the goods. The parties also confirmed that the use of Sildenafil was not confined to any category of men. The Applicant also conceded to have had knowledge of the Opponent's trademark prior to its application.

I have considered the affidavit evidence, oral submissions and clarification obtained from the Pharmaceutical Regulatory Authority on some of the technical issues. The issue, as I can see, is whether the trademark 'BULL DIAMOND' is phonetically similar to 'BLUE DIAMOND' and, regard being had to the nature of consumers of and the manner in which Sildenafil Citrate brands are sold, registration of the former would result in deception or confusion among customers vis-à-vis the products to which the two trademarks are to be affixed and thus infringe upon section 16 and 17(1) of the Trade Marks Act Cap 401. A subsidiary issue is whether the words 'BLUE' and 'DIAMOND' in 'BLUE DIAMOND' are descriptive of the character and/or quality of the product, in which

case, the trademark should not have been registered or the right to the exclusive use of the words should have been disclaimed.

It is not in dispute that both trademarks relate to brands of the product Sildenafil Citrate (Sildenafil being the active ingredient) and thus compete in the same market. The instruction manual referred to above discloses that the product is 'the first of a new group of medication which allows adequate sexual stimulation, relaxes the blood vessels of the penis and helps erection'. Apparently, Sildenafil is consumed by men. The manual, however, does not specify the category of men that should use the product. It only advises that those with allergic reactions should avoid it. But as observed above, both parties confirmed at the hearing that any man who is 'sick', literate or illiterate, could consume the product.

It is well settled that the basic function of a trademark is to distinguish goods and services from one source from identical or similar products or services from other sources; the sources being the various enterprises that offer such products or services. For this reason, trademarks are said to be indicators of origin. It is thus a key requirement for the registration of a trademark that it be distinctive. Accordingly, a trademark is disqualified from registration if doing so would result in deception or confusion about the source of the product. Section 16 of the Trade Marks Act Cap 401 provides:

'It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice or would be contrary to law or morality, or any scandalous design'.

Section 17 (1) further provides:

(1) 'Subject to the provisions of subsection (2), no trade mark shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or that so

nearly resembles such a trade mark as to be likely to deceive or cause confusion.

As stated above, the question at hand is whether the two trademarks are phonetically similar. Lord Parker suggested the following approach in **Pianotist Company's Application (1906)** 23 RPC 774 for determining the similarity of words in trademarks:

'You must take the two words. You must judge of them, both by their look and by 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 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'.

In the **Pianotists** case, an application to register 'neola' for player piano was opposed by the proprietor of the registered trademark 'pianola' for musical instruments. The court however held that the two words were not similar. Parker J concluded that having regard to the nature of the customer, the article in question, and the price at which it was likely to be sold and all the surrounding circumstances, no man of ordinary intelligence was likely to be deceived. He added, '...if he wants a 'pianola', I can not imagine that anybody hearing the word 'pianola' if pronounced in the ordinary way in the shop, and knowing the instruments as all shop men do, would be likely to be led to pass that customer a 'neola' instead of a 'pianola'.

Similarly, in **British Sugar Plc v James Roberson and Sons (1996)** RPC 281, Jacob J. proposed that the uses, users, physical nature of the respective goods, the trade channels through which they are marketed, the respective locations where the goods are sold in the supermarket and whether the two products or

goods are rivals in the same market, should be taken into account when determining similarity of trademarks.

The Zambian High Court adopted a similar test in the case of **Trade Kings Limited v The Attorney General** (1999) ZR p 53. This was an appeal against the decision of the Registrar of Trade Marks not to register YEBO as a trademark on assumption that it would conflict with EBU, an already registered trademark. Silomba J allowed the appeal and quashed the Registrar's decision. Relying on the English case of **Newsweek Inc V BBC** (1979) RPC 441, he had the following to say:

'The test to be used in deciding the similarities or dissimilarities between two words or marks was whether the ordinary sensible members of the public would be confused by the use of the two marks... YEBO though it is a Ngoni word the manner it is pronounced by the Ngoni would be of no relevance in view of the limited influence the Ngoni language has on the Zambian public. In my view, the key letters in YEBO that are likely to distinguish the mark from EBU are 'Y' at the beginning and 'O' at the end. In this regard the ordinary sensible Zambian would, in his or her pronunciation of the word YEBO, tend to fuse Y and E into 'YEE' and 'B' and 'O' into 'BOO'. The result would be that trademark YEBO would be pronounced as YEEBOO which is phonetically different from the trademark EBU'.

I agree with the Opponent that the issue is not so much with the words 'BULL' and 'DIAMOND' or 'BLUE' and 'DIAMOND' when separate and apart, but when combined. Apparently, the Opponent's trademark constitutes of the two words used together. The relevant portion of the certificate of registration reads:

'The mark consists of the words 'BLUE DIAMOND' while the rest of the wording and numeral appearing are descriptive and non-trademark matter'.

To borrow the words of Farwell J. in **William Bailey's Application (1935)** 52 R.P.C. 135 at 151 – 152, 'there may be two words which in their component parts are widely different but which when read or spoken together, do represent something which is so similar as to lead inevitably to confusion'. Commenting on this statement, Professor W. R. Cornish observed as follows at page 604 of his book titled 'Intellectual Property' (Vol 3): -

'If the mark is not just a word, but a word or words in a given format, a symbol, colour, ideogram, picture, shape or a combination of some or all of these, then the comparison is between the two, taking into account particularly of the features which make them memorable. Obviously, if it is only capable of being seen and not spoken, it is only visual comparison which is relevant'.

I also agree with the views of both Professor Cornish and Farwell J. In my considered view, Farwell J's observation typifies the position in the instant case. I am persuaded that when compared as suggested by Professor Cornish, the two words are bound to lead to confusion. I am satisfied that the two trademarks are phonetically similar. I cannot imagine, as was the case in the **Pianotists** case, that nobody hearing either of the trademarks 'BLUE DIAMOND' or 'BULL DIAMOND' being pronounced would mistake one product for the other.

The Applicant contends, however, that even if the trademarks were phonetically similar, any potential confusion is averted by the fact that Sildenafil is a prescription drug. It is indeed incontrovertible that the product is a prescription drug. I also accept the Applicant's view, which view was also corroborated by Dr. Zuma Munkombwe, a Pharmaceutical Regulator Officer at the Pharmacy Regulatory Authority, that doctors prescribe generic names of drugs as opposed to brand names. Accordingly, a doctor would not prescribe 'BULL DIAMOND' or 'BLUE DIAMOND' as they are mere brands. Instead, the prescription should read Sildenafil.

But be that as it may, there still is, in my judgment, the possibility of even a medical doctor being confused. Depending on how the two brands are marketed or promoted, for instance, it seems possible that a doctor may mistake one product being marketed for another. For example, an advert on the radio can be confused by anybody, including doctors and pharmacists. According to Dr. Zuma, it is common for companies to market particularly new medicines to medical practitioners.

Further, I suppose a doctor, when prescribing Sildenafil, would more often than not share with a patient his preference(s) of the Sildenafil brand(s); otherwise, I would have difficulties apprehending why companies would market Sildenafil to doctors in the first place. Thus, in spite of the prescription, it remains possible for some patients to suggest or insist on particular brands to pharmacists, thereby leaving open the possibility of pharmacists also being mistaken from the pronunciation or otherwise about the drug being sought by the patient. In sum, I am not persuaded that the mere fact that Sildenafil is a prescription drug completely eliminates the possibility of one product being mistakenly passed for the other. The view I take is that there remains such a possibility, albeit a minimal one.

As regards the question whether the words 'BLUE' and 'DIAMOND' represent the colour and shape and should therefore have been disclaimed, it goes without saying that for as long as the trademark remains on the register, the registered proprietor or user retains the right to exclude others from enjoying the rights that accrue from registration. Thus, the Opponent still exclusively enjoys these rights. As stated above, however, no exclusive right was granted to the use of the words 'BLUE' and 'DIAMOND' separate and apart.

The Applicant is on firm ground, however, when he contends that section 14(1)(d) of the Trade Marks Act forbids the registration in Part A of the Register, words having a direct reference to the 'character or quality of the goods'. My

interpretation of this provision is that 'character and quality' have to do with factors related to the make up or performance of a product. I therefore take the view that colour is not one of the factors envisaged under section 14(d). But because it is of general use, no exclusive right could be granted to the use of a colour or a word descriptive of that colour. Thus, no exclusive right to the use of the colour or word 'BLUE' could have been granted in the case in *casu*. The point has in any case already been made, that no exclusive right was granted to the word 'BLUE'. On the other hand, 'BULL' which is said to signify the strength of the product is patently descriptive of the character of the product.

Further, I tend to agree with the Applicant that majority of Sildenafil Citrate tablets are diamond shaped. I say 'majority' because according to Dr. Zuma, viagra, a famous Sildenefil brand, and probably several others, is not diamond shaped. I am however not persuaded by the argument that the word 'DIAMOND' is commonly used in pharmaceutical products as no evidence was adduced in support of this assertion. If anything, while putting forward this argument, the applicant in its Counter Statement contends that the word was used merely because it signified the appearance of the tablets. Dr. Zuma also expressed ignorance at the special use of the word 'DIAMOND' in pharmaceutical science. In fact, it is common place that there is a host of Sildenafil brands, including viagra, allegedly one of the leading brands, which do not contain either the word 'BLUE' or 'DIAMOND' in their brand name.

And by the Applicant's own admission, diamonds are merely a mineral. And even if 'diamond' was a technical term or carried some meaning in medical science, there is no evidence that the public also commonly associates diamonds as such, in which case, failure to use the word 'diamond' would have substantially deprived the Applicant of market. Moreover, as stated above, the essence of a trademark is essentially to distinguish the source of products and not to describe or market them. My inference from the Applicant's apparent conflicting

statements is that the applicant had no firm basis for the use of the word 'DIAMOND'.

In the premises, I see nothing that could have prevented the Applicant from using any word other than 'DIAMOND' in combination with 'BULL' or indeed using a totally different trademark. I do not therefore rule out the possibility of an attempt on the part of the Applicant to ride on the good will of the Opponent, especially considering that the Applicant had knowledge of the 'BLUE DIAMOND' trademark prior to filing the application. I am inclined to think that the application was made in bad faith.

For the foregoing reasons, the Opposition succeeds. Each party shall bear its costs of and incidental to this opposition. I make this order even bearing in mind that the Opponent undertook to bear costs of this opposition. It seems to me to have been a genuine mistake on the part of the Opponent especially that the party was not represented by Counsel. Either party may appeal to the High Court within 14 days if not satisfied with the decision herein.

DELIVERED THIS 11TH DAY OF JULY, 2008

A.M. Banda-Bobo (Mrs)

REGISTRAR OF TRADEMARKS