JUDGMENT OF THE COURT OF FIRST INSTANCE (First Chamber)

17 November 2005 *

In Case T-154/03,

Biofarma SA, established in Neuilly-sur-Seine (France), represented by V. Gil Vega, A. Ruiz López and D. Gonzalez Maroto, lawyers,

applicant,

v

Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), represented by W. Verburg and A. Folliard-Monguiral, acting as Agents,

defendant,

the other party to the proceedings before the OHIM Board of Appeal, intervener before the Court of First Instance, being

* Language of the case: Dutch.

Bausch & Lomb Pharmaceuticals, Inc., established in Tampa, Florida (United States), represented by S. Klos, lawyer,

ACTION brought against the decision of the Third Board of Appeal of OHIM of 5 February 2003 (Case R 370/2002-3), concerning opposition proceedings between Biofarma SA and Bausch & Lomb Pharmaceuticals, Inc.,

THE COURT OF FIRST INSTANCE
OF THE EUROPEAN COMMUNITIES (First Chamber),

composed of J.D. Cooke, President, R. García-Valdecasas and V. Trstenjak, Judges,

Registrar: J. Plingers, Administrator,

having regard to the application lodged at the Registry of the Court of First Instance on 2 May 2003,

having regard to the response lodged at the Registry of the Court of First Instance on 18 December 2003,

having regard to the response of the intervener lodged at the Registry of the Court of First Instance on 29 December 2003,

having regard to the reply lodged at the Registry of the Court of First Instance on 27 April 2004,

further to the hearing on 4 May 2005,

gives the following

Judgment

Background to the dispute

1 On 6 April 1998, Bausch & Lomb Pharmaceuticals, Inc. ('the intervener') filed an application for a Community trade mark at the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), pursuant to Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark (OJ 1994 L 11, p. 1), as amended.

2 The trade mark for which registration was sought is the word mark ALREX.

3 The goods in respect of which registration of the trade mark was sought are in Class 5 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended, and correspond to the following description: 'Ophthalmic pharmaceutical preparations, namely eye drops, solutions, gels and ointments used for the treatment of eye infection and inflammation'.

4 On 12 July 1999, Biofarma SA ('the applicant') already the proprietor of the word marks ARTEX registered in France, the Benelux countries and in Portugal, in respect of goods belonging to Class 5 ('Pharmaceutical speciality used in the cardiovascular field; pharmaceutical, veterinary and sanitary products; material for

stopping teeth, dental wax'), filed an opposition against the mark applied for, claiming that a likelihood of confusion existed between the marks at issue for the purpose of Article 8(1)(b) of Regulation No 40/94.

5 On 18 January 2000, OHIM notified the applicant of an amendment made by the intervener to the list of products covered by the trade mark applied for, which would now read: 'Antiallergic, steroidal, ophthalmic preparations, namely eye drops, solutions, gels and ointments used for the treatment of eye infection and inflammation'. In the same letter OHIM invited the applicant to inform it whether it maintained its opposition, which it did by letter of 4 February 2000.

6 By decision of 28 February 2002 the Opposition Division upheld the opposition. It held that a likelihood of confusion existed as the signs ALREX and ARTEX, as well as the goods covered by the marks at issue, were similar.

7 On 25 April 2002, the intervener brought an appeal against the Opposition Division's decision.

8 By decision of 5 February 2003 ('the contested decision'), notified to the applicant on 4 March 2003, the Third Board of Appeal annulled the decision of the Opposition Division and rejected the opposition, on the grounds, in particular, that, despite the fact that the goods at issue belonged to the same class, there existed only a fairly vague degree of similarity between them.

Forms of order sought by the parties

9 The parties presented oral argument and answered the questions put to them by the Court at the hearing on 4 May 2005.

10 The applicant claims that the Court should:

— annul the contested decision and 'declare that there is in fact a likelihood of confusion between the marks ARTEX and ALREX, which designate similar products';

— order OHIM to pay the costs.

11 OHIM contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

12 The intervener contends that the Court should:

— dismiss the action;

— order the applicant to pay the costs.

Law

Arguments of the parties

13 In support of its application, the applicant essentially claims that the Board of Appeal infringed Article 8(1)(b) of Regulation No 40/94.

14 Firstly, the applicant emphasises that the products designated by the marks at issue are similar by reason of their nature and their identical purpose, being the treatment of human health problems, their manufacture by the same undertakings, in the same laboratories, as well as by reason of the fact that they are marketed through the same channels, for example, by medical representatives, that their advertising appears in the same specialist journals, that they are sold in the same establishments, i.e., pharmacies, and administered in the same places, i.e., hospitals, health centres, etc.

15 The applicant adds that, while the medicinal product against hypertension designated by the earlier mark ARTEX comes in tablet form, it could very well in the future be presented in another dosage form in order to facilitate its being administered to certain categories of patients, for example, in the form of drops, in other words, in the same form as the products designated by the ALREX mark for which application was made.

16 Secondly, the applicant suggests that the simple visual comparison of the signs ARTEX and ALREX allows their degree of similarity to be established. Their visual similarity results from the manifest coincidence of their initial letter 'a' and from their two last letters 'ex'. They also have the central consonant 'r' in common. All of these factors produce a visual impact easily leading to the confusion of one name with another, which should be considered sufficient to demonstrate the existence of

a likelihood of confusion. In this regard the applicant claims that the reading of a prescription written in haste by a doctor could lead to errors with fatal consequences when the names of the two products present such a degree of similarity. The only differences relate to the central letters of the words, which cannot be perceived at first glance. Indeed the only difference is one of the central consonants ('t' instead of 'l') and its position relative to the other consonant common to the two names. A consumer generally retains the first and last letters and not the central letters.

17 Also, from the aural perspective, the likelihood of confusion is evident principally because the vowels 'a' and 'e' occupy the same place in the two words. Further, the two signs are made up of only two syllables and this coincidence has a major effect, the more so as the sound of the vowels, in particular the vowels 'a' and 'e', is that which is retained initially and the most clearly. Moreover, the fact that the vowel 'a' is the first letter of the two signs reinforces the resonance of the consonant which follows it. The applicant also explains that in France, Portugal and the Benelux countries, where the conflicting marks would be required to coexist should the contested decision be confirmed, the second syllable of these marks is fully pronounced and carries the main stress. It specifies that, in this syllable the vowel 'e' coincides with the final consonant 'x', such that that syllable is pronounced in French like the letters 'k' and 's' pronounced consecutively. In combination with the vowel 'e', the letter 'x' thereby forms a very powerful sound which dominates the whole. In both cases the first syllable starts with the vowel 'a', which itself also has a very strong resonance and which tends to weaken the sound, already weak in itself, of the consonant which follows ('l' in one case and 'r' in the other). The applicant finally adds that both of the names have the letter 'r', which is a fricative consonant, in their centre.

18 In this regard the applicant emphasises the fact that the consumer rarely has the opportunity to directly compare the signs ALREX and ARTEX and must place his trust in the imperfect picture which he has kept of them in his mind.

19 The applicant also maintains that the Institut national de la propriété intellectuelle (National Institute for Intellectual Property), before which it opposed the registration of the mark ALREX in France, indicated in its decision of 28 April 2000 that the sign ALREX constituted an imitation of the earlier sign and could not therefore benefit from protection in France as a mark to designate identical and similar products.

20 In relation to the representation of the packaging furnished by the intervener, reproduced at paragraph 35 below, the applicant maintains in its reply that it is necessary only to take account of the actual form under which the ARTEX marks were registered and to compare it with the actual form of the ALREX mark for which registration was sought at OHIM. It is a question in this case of two signs written in capital letters, purely nominative, without graphic elements, colours, different letters or characteristics which would permit one to be distinguished from the other.

21 Thirdly, the applicant reveals that the Board of Appeal appeared to presuppose that the consumers are professionals or specialists, which is not the case. The end user of the products in question will always be a sick person, in other words, an adolescent or older person, who may or may not benefit from some training and may or may not possess some general education. A nurse or a carer in a hospital could moreover also confuse these two medicines because their respective names are very similar.

22 Fourthly, the applicant explains that the function of the mark is not only to prevent the consumer from believing that products or services come from the same company, but also to guarantee the identification of products in themselves in the interest of the consumer. In the case of a medicinal product, the user wants to obtain the product of a specific mark because he is counting on it for beneficial effects for his health. Consequently, this consumer has a particular interest that the product be clearly identified and cannot be confused with another, at the risk of affecting his health.

23 The fact that other official institutions or bodies that have the responsibility of authorising the marketing of pharmaceutical products exist does not exonerate the institution responsible for registration from taking this function of the mark into consideration.

24 The applicant concludes from the statistics of the World Health Organisation and the Spanish Ministry of Health and Consumption that it is not unusual that two individuals, suffering respectively from arterial hypertension, treated by ARTEX, and from conjunctivitis as a result of seasonal allergies, for which ALREX is prescribed, are found either in the same family or professional context, or that the same patient suffers from those two illnesses and that it is not therefore exceptional that the two medicines are to be found in the same place at the same time.

25 In this regard the applicant adds that ARTEX could very well be made available in the future in the form of drops, and, as can be supported by affidavits or expert evidence which it is in a position to produce, the confusion of one medicinal product with another can have serious consequences, particularly in the case of external usage. The risks to health, should confusion arise, should therefore be taken into account in the assessment of the likelihood of confusion.

26 In relation to the similarity between the products, OHIM, relying on the judgment of the Court in Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 23, admits that a similarity does exist in general when pharmaceutical products are compared with other pharmaceutical products. It considers, however, that the degree of similarity can vary, particularly in the case of products used for treating different health problems. Even if the purpose of all the pharmaceutical products is identical, that is the treatment of health problems, the nature of those problems can vary to the point where there exists only a faint degree of similarity, which can, on taking all of the relevant factors into account, lead to the conclusion that no likelihood of confusion exists.

27 Ocular infections and hypertension are treated by different specialists, in different places, which also means the existence of different channels of distribution. Further, the method of administering the two products is also different. While ARTEX is offered in the form of pills or tablets for oral use, ALREX is available as substances of a more or less liquid form applied locally on the human body. The market for medicinal products used for the reduction of eye infections and inflammations is thereby different from the market for the reduction of hypertension.

28 In short, while it is possible that in the future ARTEX will not only be produced in the form of pills or tablets but also in the form of drops, this is not the case today. According to OHIM, the comparison between products cannot be made on the basis of possible changes that may be brought about in the future.

29 In relation to the similarity between the signs, OHIM states that the Board of Appeal concluded that the two signs ARTEX and ALREX are ordinary names of pharmaceutical products composed of standard syllables, without any striking or surprising element. The register of Community trade marks thus has 296 registered trade marks ending in the suffix 'ex' in Class 5.

30 OHIM admits that the signs are similar, but considers that the fact of knowing whether the marks present a similarity sufficient for the conclusion that a likelihood of confusion exists depends on other factors which must be taken into consideration. Those factors are in particular the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified (Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22). At the hearing, OHIM added in this regard that professionals will make the connection between ARTEX and the French word 'artery'.

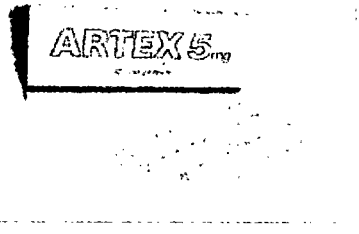
31 In relation to the relevant public, OHIM points out that the Board of Appeal decided at point 11 of its decision that, having regard to the fact that medicinal products directed at reducing hypertension are exclusively available on medical prescription, that public is made up of experts. OHIM adds that, in its judgment in Case T-237/01 *Alcon* v *OHIM — Dr. Robert Winzer Pharma (BSS)* [2003] ECR II-411, paragraph 42, the Court decided that the public targeted by ophthalmic pharmaceutical preparations and sterile solutions for ophthalmic surgery comprised medical specialists, including in particular ophthalmologists and ophthalmic surgeons. That public, by reason of its knowledge, is more attentive than the average consumer who is deemed to be reasonably well informed and reasonably observant and circumspect.

32 OHIM also points out that, given that Article 8(1)(b) of Regulation No 40/94 does not contain any reference to the moment at which the confusion can arise, no reason exists to assume that the moment of confusion is limited to the moment of purchase. The confusion can arise once the trade-marked product is in circulation. However, if it is decided that no likelihood of confusion existed at the time of purchase, there is no reason to think that it could be otherwise at any other time, for example, at the time of the taking of the medication, unless different categories of the public, having different degrees of attention, are involved. However, in this case there are no different categories of public.

33 OHIM also refers to the judgment of the Court of First Instance in Case T-224/01 *Durferrit* v *OHIM — Kolene (NU-TRIDE)* [2003] ECR II-1589, paragraph 52), which decided, having determined that the public was made up of experts, that the degree of similarity between the marks in question was not sufficiently high for a finding that a likelihood of confusion existed between them. That conclusion was corroborated, according to OHIM, by the fact that the relevant public was highly specialised in the sector of the goods and services in question and, accordingly, likely to take great care in the selection of those goods and services.

34 Finally, OHIM considers that the Board of Appeal correctly decided that a potential risk to health should not play a part in the assessment of a likelihood of confusion. Article 8(l)(b) of Regulation No 40/94 contains no indication to that effect. That article aims solely at preventing the registration of marks in the case of a likelihood of confusion between the mark for which registration is sought and another already registered mark.

35 The intervener, who endorses the essential parts of OHIM's arguments, emphasises in particular the fact that the tablets marketed by the applicant are contained in transparent plastic wrapping whereas the ophthalmic drops sold by the intervener are presented in a small bottle, the cap of which is fitted with a pipette, as is shown by the following reproductions:



36 Even though the goods in question were both presented in an identical form, the factors that must be taken into account, according to the judgment in *Canon*, cited above, in order to assess their degree of similarity would indicate clearly that they are not similar or, at least, that they present only a very weak degree of similarity.

37 At the hearing, the intervener mentioned two judgments of the Court given after the lodging of its statement in intervention. In Case T-169/03 *Sergio Rossi* v *OHIM — Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, the Court decided that women's bags and women's footwear, even though they were fancy leather goods, could not be considered to be similar, as they were not substitutable for each other and were not in competition. In Case T-296/02 *Lidl Stiftung* v *OHIM — REWE-Zentral (LINDENHOF)* [2005] ECR II-563, the Court decided that sparkling wines, on the one hand, and beers, cocktails and mineral waters, on the other, were not similar, consumers being in the habit of consuming them under different circumstances and at different events.

38 In contrast to OHIM, the intervener does not consider that the signs at issue are similar. It maintains that, by virtue of paragraph 25 of the judgment of the Court in Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, it is necessary to take account in particular of the distinctive and dominant components of the trade marks. The ending 'ex' is extremely common for all sorts of marks and goods, particularly in the pharmaceutical field. While the Board of Appeal found a 'certain similarity' resulting from the number of identical letters, that is the initial 'a' and the ending 'ex', it emphasised the visual difference created by the position of the letter 't' in the middle of the sign ARTEX and considered that this difference had a big effect on the visual impression of short signs, such as those in this case.

39 Finally, the intervener takes the view that the purpose of trade mark law is not to protect patients against an incorrect usage. Such a responsibility comes within the competence of bodies other than OHIM. Additionally, the hypothesis of the poisoning of a patient who suffers hypertension and an ocular infection or inflammation at the same time and who had been prescribed the two products in question is absurd, as it supposes that the patient has long been confusing tablets

and drops. Further, a particular caution in relation to the medication which they administer to themselves should be expected of patients suffering from a relatively serious ailment, such as hypertension.

Findings of the Court

40 As set out in Article 8(1)(b) of Regulation No 40/94, upon opposition by the proprietor of an earlier trade mark, the trade mark applied for is not to be registered if, because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected. The likelihood of confusion includes the likelihood of association with the earlier trade mark. Moreover, under Article 8(2)(a)(ii) of Regulation No 40/94,'earlier trade marks' means, inter alia, trade marks registered in a Member State with a date of application for registration which is earlier than the date of application for registration of the Community trade mark.

41 According to settled case-law, the likelihood that the public might believe that the goods or services in question come from the same undertaking or from economically-linked companies constitutes a likelihood of confusion, and this likelihood must be assessed globally, according to the perception that the relevant public has of the signs and goods or services in question and taking into account all relevant factors of the case at issue.

42 That global assessment implies some interdependence between the relevant factors taken into account and, particularly, the similarity between the trade marks and between the goods or services. Accordingly, a lesser degree of similarity between those goods or services designated may be offset by a greater degree of similarity between the marks and vice versa (*Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, cited above, paragraph 19).

43 In the present case the earlier marks ARTEX are registered in France, in the Benelux countries and in Portugal, which therefore constitute the relevant territory for the purpose of applying Article 8(1)(b) of Regulation No 40/94.

44 In relation to the relevant public, OHIM, like the intervener, maintains that the medicinal products which are at issue in the case are prescribed by different specialists. However, the fact remains that these medicinal products are in sufficiently common usage to also be prescribed by general practitioners.

45 Furthermore, since the applicant's tablets, like the intervener's eye drops, are to be taken by patients at home, the latter, as end users, are also part of the relevant public in the same way as pharmacists who sell those medicinal products in their pharmacies.

46 Both the professionals in the medical sector (specialist doctors, general practitioners and pharmacists) and patients, contrary to the finding of the Board of Appeal, therefore form part of the relevant public.

47 In relation to the comparison of products, it must be recalled that, in assessing the similarity of the goods or the services concerned, all the relevant factors relating to the goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary (*Canon*, paragraph 23).

48 In the present case, as the applicant correctly points out, the products in question have the same nature (pharmaceutical products), purpose (treatment of human health problems), are directed at the same consumers (professionals in the health sector and patients) and use the same distribution channels (typically pharmacies).

49 However, as stated by OHIM and the intervener, these products are neither complementary nor in competition with each other. Having regard to the elements of similarity previously mentioned, this difference between the goods in question is not, however, such that it excludes, of itself, the possibility of a likelihood of confusion.

50 Furthermore, the intervener's argument that the products, being administered differently, are not similar must be rejected. That difference is of less significance in the present case than the fact that the products concerned have a common nature and purpose.

51 Accordingly, as the similarities between the goods outweigh the differences, it must be concluded that there exists, as correctly found by the Board of Appeal in the contested decision, some degree of similarity between the goods in question.

52 Concerning the comparison of the signs, it must be recalled and is settled case-law that the global assessment of the likelihood of confusion must, as far as it concerns the visual, aural or conceptual similarity of the signs at issue, be based on the overall impression given by the signs, bearing in mind, inter alia, their distinctive and

dominant components (see the judgment in Case T-292/01 *Phillips-Van Heusen* v *OHIM — Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR II-4335, paragraph 47, and the case-law cited therein).

53 Only the intervener considers that the signs ALREX and ARTEX are not similar. It emphasises in particular the fact that the ending 'ex' is extremely common for all sorts of marks, particularly in the pharmaceutical field.

54 However, as observed by the Opposition Division, the two signs are composed of a word containing five letters. The only difference is that one includes the letter 't' between the letters 'r' and 'e' and the other has an 'l' between the letters 'a' and 'r'. Aside from this difference, four of the five letters are identical and are placed in the same order: 'arex'. Therefore, the visual similarity between the signs is very high.

55 Also, at an aural level, the signs have the same structure, that is, two syllables each, the first comprising two letters and the second having three. Each sign begins with the letter 'a' and finishes with the suffix 'ex'. Further, the second and third letters of each sign are consonants, one of which is common (the letter 'r').

56 Finally, at the conceptual level, while OHIM maintained at the hearing that professionals would make the connection between the sign ARTEX and the French word 'artery', which the Opposition Division considered to be insufficient to discount the visual and aural similarities between the signs, it is appropriate to point out, firstly, that supposing this to be the case, professionals are not, as has been stated at paragraphs 45 and 46 above, the only relevant public and, secondly, that the public in the territories concerned, being the Benelux countries, Portugal and France, is not exclusively French-speaking.

57 In the circumstances it must be concluded, contrary to the finding in the contested decision, that there exists a high degree of similarity between the two signs.

58 Therefore, having regard to, firstly, the high degree of similarity between the signs in question and, secondly, the degree of similarity between the goods concerned, the differences between them are not sufficient to remove a likelihood of confusion in the perception of the relevant public.

59 On the basis of the foregoing, the Court takes the view that there is a likelihood that that public will be led to believe that the goods designated by the signs at issue are from the same undertaking or from economically-linked undertakings.

60 Finally, the existence of that likelihood of confusion is reinforced by the fact that the relevant public only rarely has the chance to make a direct comparison between the different marks but must place its trust in the imperfect picture of them which it has kept in its mind (*Lloyd Schuhfabrik Meyer*, paragraph 26, and Case T-115/03 *Samar* v *OHIM — Grotto (GAS STATION)* [2004] ECR II-2939, paragraph 37).

61 Consequently, it must be held that there is a likelihood of confusion between the ALREX and ARTEX trade marks, within the meaning of Article 8(1)(b) of Regulation No 40/94.

62 It follows from all of the foregoing that the grounds on which the applicant seeks a declaration that the Board of Appeal infringed Article 8(1)(b) of Regulation No 40/94 must be upheld. Consequently, the contested decision must be annulled.

Costs

63 Under Article 87(2) of the Rules of Procedure of the Court, the unsuccessful party is to be ordered to pay the costs if they have been applied for in the successful party's pleadings. Since OHIM has been unsuccessful it must be ordered to pay the costs incurred by the applicant, in accordance with the form of order sought by it. Since the applicant has not applied for costs against the intervener, the latter must be ordered to bear its own costs.

On those grounds,

THE COURT OF FIRST INSTANCE (First Chamber)

hereby:

1. **Annuls the decision of the Third Board of Appeal of the Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) of 5 February 2003 (Case R 370/2002-3);**

2. **Orders OHIM to bear its own costs and to pay those incurred by the applicant;**

3. **Orders the intervener to bear its own costs.**

Cooke García-Valdecasas Trstenjak

Delivered in open court in Luxembourg on 17 November 2005.

E. Coulon García-Valdecasas

Registrar President