



## TRADE MARKS ACT 1955

### DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS, WITH REASONS

Re: Opposition by STAFFORD-MILLER LIMITED to the registration of trade mark application number 522362 in the name of BRAINTREE LABORATORIES, INC.

As provided in the transitional provisions of Part 22 of the *Trade Marks Act 1995*, the provisions of the *Trade Marks Act 1955* continue to govern this opposition. Accordingly, unless otherwise specified, any reference to the Act in this decision is reference to the *Trade Marks Act 1955*.

Application number 522362 was lodged on 1st November 1989, claiming a Convention priority date 1st May 1989, under the provisions of section 109 of the Act. The application, in the name of Braintree Laboratories, Inc, (the applicant) sought registration of the trade mark NULYTELY in respect of a statement of goods, in class 5, subsequently amended to read:

“Pharmaceutical and medicinal preparation in this class being a reduced sodium sulfate, polyethylene glycol, electrolyte, gastrointestinal, oral lavage solution”.

Acceptance of the trade mark was advertised in the *Australian Official Journal of Trade Marks* of 1st October 1992. On 17th December 1992, a notice of opposition to registration of the trade mark was lodged by Stafford-Miller Limited (the opponent). The primary grounds of opposition pursued at the hearing were based on section 28, that use of the opposed trade mark would be likely to deceive or cause confusion, that its use would be contrary to law and that it would not be entitled to protection in a court of justice; and on section 33, that registration or use of the opposed trade mark was likely to cause deception

or confusion by reason of its close resemblance to one or more registered trade marks, or prior pending applications in respect of the same or similar goods, or goods of the same or similar description, or closely related services.

### **The evidence**

The service and lodgment of the evidence in support, answer and reply were completed by both parties on 15th May 1996. The evidence consists of:

#### *Evidence in support:*

- \* Statutory declaration by Raymond Leslie Smee, dated 23rd August, 1993, together with exhibits RLS1 - RLS4
- \* Statutory declaration by David Julian Schuman, dated 18th November 1993, with an exhibit DJS1.

#### *Evidence in answer:*

- \* Statutory declaration by Arthur A Smith Jr, dated 26th May 1994.

#### *Evidence in reply:*

- \* Statutory declaration by Laura Ruth Jones, dated 6th May 1996, together with exhibits LRJ1 - LRJ3
- \* Statutory declaration by Richard J Brown MD, dated 10th May 1996, with annexure "A".

Mr Smee, whose statutory declaration forms part of the evidence in support, is the general manager in Australia of the opponent's company. He refers to the opponent's registration number A421490 for the trade mark GOLYTELY in class 5, in respect of a pharmaceutical preparation for use in certain diagnostic and therapeutic procedures, sets out history of the mark and gives details of its use in Australia. The opponent has always used the mark GOLYTELY in Australia solely in respect of the polyethylene glycol electrolyte lavage solution, he states, and it proposes to use the trade mark NULYTELY with respect to a new, flavoured formulation for the GOLYTELY product. An application has been made to register the mark. Mr Smee has been reliably informed that the applicant is the registered proprietor of the trade marks GOLYTELY and NULYTELY in the United States of America, but believes it has never used these marks in Australia.

Mr Schuman is an assistant general counsel and trade mark counsel of Block Drug Company, which is the opponent's parent company. He provides a list of countries where the mark GOLYTELY is registered or is subject of a pending application in respect of, inter alia, colonic lavage preparations. A further list contains countries where other marks ending in the suffix "lyte" or "lytely" are registered or are awaiting registration.

In the statutory declaration comprising the evidence in answer, Mr Smith, a partner of the United States law firm Lorusso & Loud, states he has represented the applicant for fifteen years and has been responsible for obtaining trade mark registrations for the marks GOLYTELY and NULYTELY, both in the United States and worldwide. Both of those trade marks, he says, are the original creation by the applicant for lavage solution and have been registered in a number of countries which he specifies in the declaration.

Ms Jones, whose statutory declaration forms part of the evidence in reply, is a solicitor of the firm acting for the opponent. She has caused searches to be conducted of Trade Marks Office records for trade marks containing the suffix "lyte" and the suffix "lytely" in class 5 and annexes results of those searches to her declaration. She has also had a search carried of the records for the prefix "nu" in trade marks and attaches a list of such marks to her declaration.

In the statutory declaration, which comprises the balance of the evidence in reply, Mr Brown, a physician practicing in the United States, declares that the applicant markets products under the trade marks GOLYTELY and NULYTELY in the United States and annexes copies from the *Physicians' Desk Reference* listing the marks.

The matter was heard in Canberra on 16th January 1997. Both parties were heard by telephone, Mr Brett Doyle of Blake Dawson Waldron of Sydney representing the opponent and Mr Robert Kelson of Callinan Lawrie of Melbourne representing the applicant.

## **Submissions**

Mr Doyle first made brief comments on each of the statutory declarations comprising the evidence in relation to the present opposition proceedings which may be summarized as:

- The exhibits of Mr Smee's declaration show that the trade mark GOLYTELY is used in Australia in such a way so as to differentiate between the prefix "go" and the remainder of the mark. From the declaration it is clear that the mark has been used in Australia since 1986 and therefore pre-dates the lodgement and priority date of the opposed mark.
- The mark GOLYTELY, as shown in Mr Schuman's declaration, appears to be owned by the applicant in the United States, but in a number of different countries it has been registered by the parent of the opponent company or its various subsidiaries. The mark NULYTELY is owned in various countries by the opponent's parent company or by its subsidiaries, and by the applicant. There is, however, nothing inconsistent with a mark being owned in one jurisdiction by one company and in other jurisdictions by a different company.
- Despite some discrepancies as to the ownership of the marks in some countries, as stated in Mr Smith's declaration, it is nonetheless clear from that declaration that the GOLYTELY and NULYTELY trade marks are companion marks and are owned by the one company in a particular jurisdiction.
- Ms Jones' declaration shows that the prefix "nu" and the suffix "lyte" are common to the trade, but the suffix "lytely" is not.
- The applicant's use of the trade marks GOLYTELY and NULYTELY in the United States as differentiating between the prefixes "go" and "nu", respectively, and the remainder of the marks "lytely", is demonstrated in Dr Brown's declaration. The declaration also reinforces Mr Smee's statement that the opponent intends to use the mark NULYTELY as a product extension for a flavoured version of the product under the mark GOLYTELY.

Commencing his submissions on the alleged conflict between the trade marks NULYTELY and GOLYTELY, Mr Doyle said that the applicant's mark offended against section 33 of the Act for the reasons similar to those set out in *Schering Aktiengesellschaft v The Upjohn Company* (1994) AIPC 91-082. In light of the relevant test prescribed by Evershed J in *Smith Hayden & Co Ltd's Appn* (1946) 63 RPC 97, the normal and fair manner of use of the opponent's mark must be looked at in the context of pharmaceutical industry. In this regard, use of the opponent's mark in Australia and use by the applicant's mark in other jurisdictions should be taken into account. The annexure to Dr Brown's

declaration showed that the respective normal and fair uses of the marks were indeed likely to lead to deception or confusion.

Given that the prefix “nu” indicated a new product and given the distinctive character of the suffix “lytely”, the accepted tests for comparison of trade marks led one to the conclusion that the marks were deceptively similar, Mr Doyle submitted. The two marks were related to each other, not merely because they shared the suffix “lytely”, but because the suffix suggested the significant adverbial form “lightly” in relation to the product in question, in addition to being a reference for “electrolyte”. Thus, the mark NULYTELY built upon those references so that a person who knew the GOLYTELY product would pick up on those particular references. As both parties used or intended to use the respective marks to indicate the same product extensions, it was almost inevitable that use of the mark NULYTELY in a normal and fair manner would cause deception or confusion amongst a substantial number of persons.

A further concern expressed by Mr Doyle concentrated on medical negligence. Not only were the goods in the present situation specialized, he noted, but they were also specialized medical goods which, if confused, could lead to severe consequences. A major injury could be caused to a patient in a case where one trade mark owner was marketing the GOLYTELY product with particular constituents and another trade mark owner marketed a NULYTELY product with slightly different constituents and a pharmacist, in the belief that they were the same range of products, on handling a prescription dispensed the NULYTELY product when it was supposed to be the GOLYTELY product. Dr Brown’s exhibits showed certain types of details about the products under consideration which did not appear on the packaging; i.e. when use of the particular product was indicated and more importantly, it also showed when it would be dangerous for patients to take that product. Given that the opponent’s and the applicant’s marks were so similar, and taking into account the consequences of using the wrong product, the marks ought to remain in the hands of one proprietor. If such a matter was raised as a serious concern by the opponent and the applicant was unable to discharge the Registrar’s concern as to the public health, then the subject mark ought not be entered on the Register, Mr Doyle argued.

In relation to the section 28 ground of opposition, Mr Doyle referred to the test enunciated in this regard by Evershed J in *Smith Hayden*, supra, submitting that it was for me to assess whether, having regard to the evidence, use of the applicant's mark would be reasonably likely to cause deception or confusion amongst a substantial number of persons. The relevant degree of deception or confusion had clearly been made out on the face of the evidence. The requirement for deception, he said, must be taken in the context of the relevant market, as discussed in *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1979] RPC 410 at 436-439, which in the present opposition meant in the context of pharmaceutical/medical markets, and particularly in the context of the demonstrated use in the colonic lavage products. By referring to the words of Kitto J in *Kendall Co v Mulsyn Paint and Chemicals* (1963) 109 CLR 300, Mr Doyle concluded that the applicant had failed to reach the threshold level of demonstrating that a substantial number of persons would not be likely to infer that the goods concerned did not come from the same source, or at least be caused to wonder whether that might not be so.

On the question of blameworthy conduct, Mr Doyle said that the applicant was responsible for such a conduct by lodging the present application and by expressing an intention to use a mark which was likely to deceive or cause confusion in face of the existing reputation of the opponent's mark. The blameworthy conduct would be in contravention of section 52 of the *Trade Practices Act* and the common law action for passing off.

Taking all the above factors into account, in accordance with *Dunn's Trade Mark* (1890) 7 RPC 311, the applicant had not made out its case and that the entitlement to registration of the mark was at least *in dubio*, Mr Doyle concluded.

Mr Kelson first directed my attention to the specifications of goods on the opponent's registration number 421490 and the present application, pointing out that the goods in each case were limited indicating their specialized nature. The specialized nature and use of the opponent's trade mark GOLYTELY were described in Mr Smee's declaration and illustrated in the exhibits of that declaration. Mr Kelson noted that the registered mark,

421490, had been cited against the present application and submissions made in relation to the citation objection referred to the visual and phonetic differences between the marks GOLYTELY and NULYTELY. While the prefix “nu” could have the accepted meaning of “new”, there was no accepted meaning for “go” as a prefix, he argued, and in the context of registration for the mark GOLYTELY the registration was for a single word, not for a word divided by a hyphen. Similarly, the applicant’s mark was also for a single word NULYTELY.

In the applicant’s submissions in relation to the citation objection based on the mark of registration number 421490, which had been raised by the examiner, Mr Kelson said, reference was made to the co-existence of the trade marks in the following cases: in *Enoch’s Appn* 64 RPC 119 (VIVICYLLIN and CYLLIN), *Bayer Products Ltd’s Appn* 64 RPC 125 (DIASIL and ALASIL) and *Fox & Co’s Appn* 37 RPC 37 (MOTRATE and FILTRATE). The marks GOLYTELY and NULYTELY were different in their initial letters in appearance and when pronounced so that there was no real tangible danger of those marks being confused. This was especially more so where, under the conditions of fair and notional use, the use must be in respect of the goods covered by the registration and by the pending application, respectively. In *Schering v Upjohn*, supra, the Assistant Registrar concluded that the goods bearing the two marks NUVELLE and PROVELLE would generally be available to purchasers who had no special knowledge of pharmaceuticals. That was quite distinguishable from the present situation and a point to be kept in mind. With reference to the *Bayer* case, supra, Mr Kelson argued that the same type of situation applied to the present case. The relevant persons concerned with the administration of the lavage solutions would be professional persons; the goods would not be placed in the general area where they were bought off the shelf, and that meant that the area in which confusion might arguably arise was so limited that it was most unlikely to occur. He remarked that there was some use of the opponent’s mark in a particular format, but that was not to say that use of the mark NULYTELY in Australia by the applicant would follow the same type of idea of splitting “nu” from “lytely”, but even so, the goods were sufficiently specialized. Having built up a reputation in such a specialized area, it was hardly likely that GOLYTELY would be used for any other types of goods that would lead to problems for

the registered proprietor. Mr Kelson then cited *Elf Sanofi SA v The Upjohn Co* (1996) AIPC 91-230, the marks being considered there - APROVEL and PROVELLE. He observed that, contrary to the hearing officer's comment in that case that the real risk of confusion of the marks was to come from the prospect of imperfect recollection of the marks, even though a reasonable number of buyers were expected to purchase the goods with due care, in the present instance the number of buyers would be limited to those persons who ultimately dispensed or supplied colonic lavage solutions or preparations for making such solutions for a very specific purpose. The decision *Boehringer Ingelheim KG v Johnson & Johnson* (1995) AIPC 91-156 had outlined the limited chances of deception and confusion arising if the goods concerned were specialized, Mr Kelson reminded me.

Responding to Mr Doyle's concerns as to the consequences which might result by confusing the marks, Mr Kelson pointed out that the products in question carried with them indications as to their use, and that regular updates in publications alerted users of any changes and new forms of goods sold under the marks, so that the consequences of a substitution were not high. The medical negligence question was hard to judge, because a specialized person would not be caused to wonder when encountering the marks. Such a person had publications at his disposal which indicated the origin of the goods and their use.

As far as section 28 grounds were concerned, Mr Kelson again stressed the specialized nature of the goods and the particular market, asserting that deception and confusion would not arise. Furthermore, no blameworthy conduct had been demonstrated by the opponent and the question of infringement to which Mr Doyle had referred, was not one for the Registrar to decide, he said.

Both parties sought costs.

## **Decision**

*Section 33 - substantially identical or deceptively similar*

As the goods of the opponent's registration number 421490 and the goods of the present application are the same goods or goods of the same description, it remains for me to decide whether the subject trade mark NULYTELY offends against the provisions of section 33 by being either substantially identical or deceptively similar to the trade mark GOLYTELY.

In *Pianotist Co.'s Appn* (1906) 23 RPC 774, the often quoted test by Parker J (as he then was), at p 777, outlines some of the guidelines to be considered when comparing competing marks:

“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 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 owner of the marks.”

Visually, as well as orally, the distinguishing features between the marks, GOLYTELY and NULYTELY, exist in the respective prefixes “go” and “nu”. The remaining portion of the marks comprises the identical suffix “lytely”. While the prefix “go”, of course, has a dictionary meaning of the word “go”, the prefix “nu” does not. It would most likely be seen to represent the phonetic equivalent of the word “new”, as was agreed by both parties. Both the prefix “go” and the prefix “nu”(“new”), convey entirely different meanings. Conjoined with the suffix “lytely”, these prefixes create a quite dissimilar net impression of each of the marks. When regard is had to the established principle that, generally, initial sounds of words are accentuated in the spoken language, and therefore the first syllable in words is most important for the purpose of distinction - *London Lubricants (1920) Ltd's Appn* (1925) 42 RPC 264 - in my opinion, orally the marks should be effortlessly distinguishable as well.

The common suffix in the marks, “lytely”, pronounced in a similar manner to the word “lightly”, the variation in its pronunciation possibly being in the enunciation of the letter “e”, also suggests a recognizable meaning of either the adverb “lightly” or the noun “electrolyte”. Given the opponent's intention to impart these meanings, as affirmed by Mr Doyle, the suffix

“lytely” in the mark GOLYTELY does not possess the same significant trade mark value as was found in the suffix “velle” in *Schering v Upjohn*, supra. However, in the absence of inherent distinctiveness, it must be considered in light of the findings in “*Frigiking*” Trade Mark [1973] RPC 739 where Whitford J, having concluded that, although the word “King” shared by both the marks under consideration was not common to the trade, it was nonetheless not a highly distinctive word and therefore, in that case, the marks FRIGIKING and THERMO-KING could co-exist on the Register for refrigeration apparatus.

The opponent’s search, as evidenced by Ms Jones’ exhibits to her declaration, shows “nu” to be a common descriptive prefix in trade marks registered in respect of goods in class 5 which class includes “pharmaceutical preparations”. It also reveals the suffix “lytely” to be included only in four trade marks: in the mark of the present applicant, in two of the opponent’s trade marks and in one mark which has lapsed. In light of these search results and opinions expressed by the opponent’s declarants, it has been argued that “lytely” is the essential distinctive component of the mark NULYTELY, and that “nu” indicates a new variant in the same range as the product distributed under the mark GOLYTELY. Ms Jones provides some examples of manufacturers using the prefix “nu” in trade marks for class 5 goods to distinguish the goods in the same class.

Notwithstanding this evidence, the opponent has not convinced me that the subject mark “builds upon” the mark GOLYTELY, or that the prefix “nu” contained in the mark NULYTELY would invariably denote a new version of a product which has earlier been marketed under the mark GOLYTELY. Exhibit LRJ3 of Ms Jones’ declaration indicates only two proprietors owning marks in class 5 where the prefix “nu” could be said to distinguish the goods in the same class, whereas exhibit LRJ2 provides a considerable number of examples of two or more marks containing the prefix “nu” which are owned by the same proprietor.

As the products under consideration are dispensed only on a prescription by a medical practitioner, and are administered to a patient in a hospital before performing a colonoscopy, the persons prescribing, dispensing and administering the lavage solution

would be expected to be skilled, experienced and cautious people. Mr Kelson directed my attention to a number of relevant cases where the risk of confusion concerning the prescription goods is discussed. Thus, in *Bayer* case, supra, Lord Greene said, at p 137:

“Once you get the position that only a doctor can order sulphadiazine, that he must give a written prescription and that a chemist cannot supply it without such a prescription, you ensure that the article in question is only going to pass at that stage through the hands of skilled persons, who by their training, their experience and their knowledge would be most unlikely to refer to that drug in a way which would admit of any reasonable possibility of confusion.”

Given that doctors and pharmacists are professionals who are well aware of the dangerous, even fatal consequences that might be caused by an error in prescribing wrong pharmaceutical and medical preparations, I am in agreement with Mr Kelson that any likelihood of confusion of the marks on the part of those persons is minimal. If there is any doubt or confusion as to the precise nature of a drug prescribed, from general knowledge and my own experience I know that a pharmacist would normally contact the doctor concerned for verification before dispensing the drug to the patient. I see no reason why the same attention and care would not be exercised in relation to a prescription for the goods under the marks now being considered. In hospitals the responsibility of administering the lavage solutions to a patient would be entrusted only to trained, informed and experienced members of the nursing staff, used to carefully following doctors' instructions and directions, double-checking the description of the products' purpose and the method of administration, and seeking clarification or advice if uncertainties arise as to any procedures. Likewise, such persons would exercise proper caution in dealing with the products in question. This line of reasoning is supported by the hearing officer's conclusion in *Boehringer v Johnson*, supra, that the marks ALDOLES and HALDOL could co-exist in respect of prescription goods “where normal standards of professionalism will prevail”. As was noted by Mr Kelson, the present situation can be distinguished from that considered in *Schering v Upjohn*, where the hearing officer expressed concerns that deception or confusion could arise between the marks NUVELLE and PROVELLE, because the goods bearing the marks would “generally be available to purchasers who have no special knowledge of pharmaceuticals”.

I take Mr Doyle's point that mistakes occur even in the medical circles and therefore consideration should be given to the consequences of the products being confused in such instances, be they rare. Indeed, he stressed that the consequences in such cases could be severe, and therefore the products should be registered in the name of the same proprietor.

The possibility of serious consequences arising not due to similar marks being used in relation to the same goods or goods of the same description, but through negligence by storing meat extract and disinfectant in the same hospitals led to the Registrar's discretion being exercised adversely in *Edwards Appn*, supra. The consequences of confusing the products under the respective marks in such circumstances are obvious.

In his assertion as to likely danger that could result from the administration of the wrong product to the patient, Mr Doyle referred to the indications and contraindications in relation to the products dispensed under the trade marks GOLYTELY and NULYTELY published in the copies of the *Physicians' Desk Reference* annexed to Dr Brown's declaration. No additional evidence, testimony or opinion by other experts has been presented by the opponent on this matter. While I do not question Mr Doyle's veracity on this issue, in the absence of any persuasive evidence in support of these contentions, I believe the matter to be outside my competence. In light of my earlier comments on the distinct nature of the marks GOLYTELY and NULYTELY and the kind of people likely to deal with the respective products, however, I again turn to the words of Lord Greene in *Bayer* case, supra, at p 137:

“Of course, it is impossible to exclude entirely the risk of confusion. What we are concerned with are not unlikely cases which may happen one in one hundred years, but reasonable probabilities, and we have to ask ourselves in relation to those facts: Is there such a risk that a doctor or a chemist or the two of them in combination, by some carelessness in expression, some obscurity in handwriting, some slip of recollection or some careless mistake which you would not expect highly trained professional people to fall into, will refer to the product in such a way as will lead the court to say that there is a reasonable probability of confusion?

In my opinion, there is not. It seems to me that, if one is really to give weight to such a risk, it involves attributing to those highly skilled, experienced and careful people to whom the legislature has entrusted, and to whom alone the legislature has entrusted, the precautions necessary under the Poisons Act, qualities of carelessness or

incompetence which, although they may exist in a person here and there on occasions - that, of course, cannot be denied - are not usually found in that class of persons. We are not concerned with hypothetical possibilities, but with the ordinary practical business probabilities, having regard to the circumstances of the case.”

The present circumstances, I think, are clearly distinguishable from those considered in *Edwards Appn*, supra.

For the foregoing reasons, I find the opponent has not succeeded in relation to the grounds of opposition as far as they are based on section 33 of the Act.

*Section 28 - deception or confusion*

The opponent’s trade mark GOLYTELY was first used in Australia in 1986 by a predecessor of the opponent’s business solely in relation to “polyethylene glycol electrolyte lavage solution”, and since acquiring the mark in 1991 the opponent has continued use of the mark on the same product. No sales value of those goods has been supplied by the opponent before the priority date of the present application, 1st May 1989, which is the relevant date for determining the reputation of the mark - *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592. In the absence of any concrete evidence as to such reputation and in view of my previous findings that the particular products would be handled with due care and discernment, I am not prepared to concede that, having regard to the reputation established by the mark GOLYTELY, the applicant’s mark NULYTELY, if used in a normal or fair manner in connection with the goods of this application, will be reasonably likely to cause deception and confusion amongst a substantial number of persons (see *Smith Hayden*, supra), or that a substantial number of persons would be caused to wonder whether the goods emanated from the same source (*Southern Cross v Toowoomba Foundry*, supra) - para 28(a) of the Act.

Had the opponent successfully established the likelihood of deception or confusion arising from use of the applicant’s mark, given the reputation of the mark GOLYTELY, then it would also need to show that the applicant had acted improperly in relation to its application. I am relying here on *New South Wales Dairy Corporation v Murray Goulburn Co-operative Company Limited* (1990) 171 CLR 363, *Titan Manufacturing*

*Company Pty Ltd v John Terence Coyne* (1991) 22 IPR 613 and *The Canon Kabushiki Kaisha v Robert James Brook and Rachel Brook trading as The Cannon Watch Company* (1990) 171 CLR 363. I do not see that the applicant's act of lodgement of the present application in the purported knowledge of the reputation of the opponent's mark constitutes blameworthy conduct. As to the alleged applicant's contravention of the provisions of the *Trade Practices Act* and the question of passing off, the opponent is expecting the Registrar to determine matters which are outside his province when dealing with trade mark opposition issues. Such matters, as the opponent will be aware, are decided elsewhere. It follows then, that on the material before me, the applicant has no case to rebut the allegations in relation to a blameworthy action, as required under para 28(d) of the Act.

Accordingly, a case in terms of section 28 has not been made out by the opponent.

### **Conclusion**

I find that the opponent has failed in relation to the grounds under sections 28 and 33 of the Act. The opposition is therefore dismissed. I direct, subject to any appeal from my decision, that the mark of this application should proceed to registration.

I award costs to the applicant.

Vija Zars  
Hearing Officer  
20th May 1997

