

In *Viaguara SA v Office for Harmonisation in the Internal Market (OHIM)* (Case T-332/10, January 25 2012), the General Court has rejected an appeal against the First Board of Appeal's decision to refuse a Community trademark (CTM) application for a mark deemed too close to VIAGRA.

In October 2005 Viaguara S.A, a Polish company, applied to register the word mark VIAGUARA for the following goods in Classes 32 and 33 of the Nice Classification:

- Class 32 - "Still and sparkling mineral water and other non-alcoholic drinks, fruit drinks and juices, syrups and other substances to make drinks";
- Class 33 - "Alcoholic drinks, liqueurs, spirits, wines".

In February 2007 Pfizer Inc, owner of an earlier CTM registration for VIAGRA for pharmaceutical and veterinary products in Class 5, opposed the application on the basis of Articles 8(1)(b) and 8(5) of the Community Trademark Regulation (207/2009). The Opposition Division of OHIM rejected the opposition in February 2009. Pfizer appealed to OHIM's First Board of Appeal.

In May 2010 the Board of Appeal overturned the Opposition Division's decision. While it agreed that the opposition based on Article 8(1)(b) should fail, as there was no likelihood of confusion between the respective goods, it accepted the opposition based on Article 8(5) since:

- VIAGUARA and VIAGRA were very similar marks, so the public would perceive a commercial connection between them;
- throughout the European Union, VIAGRA had acquired an undeniable reputation as a drug for the treatment of impotence; and
- there was a risk that the use of VIAGUARA would, without due cause, take unfair advantage of the distinctive character or repute of the VIAGRA mark.

Viaguara appealed to the General Court.

Before the court, Pfizer challenged the admissibility of Annexes A6 to A8 in Viaguara's evidence, since it was the first time that such documents had been produced. The General Court agreed and declared them inadmissible. Pfizer conceded its objections to Annex A7 during the hearing, because it had been included in some form within Viaguara's submissions to the Board of Appeal.

Viaguara relied on a single ground of appeal, alleging violation of Article 8(5) of the regulation. In its view, the board had relied solely upon the similarity between the marks to come to its decision. Viaguara alleged that the goods were dissimilar and, in its view, the marks were not very similar, so the public would not assume that the marks were connected.

The General Court summarised the requirements of Article 8(5) in three parts:

- the marks had to be identical or similar;
- the earlier mark had to have a reputation; and
- there must be a risk that use of the mark applied for would, without due cause, be detrimental to, or take unfair advantage of, the distinctiveness or repute of the earlier mark.

The court also highlighted that the public must perceive a commercial connection between the marks and that the level of similarity between the marks could help to establish such a connection, even if the public did not confuse them. The court reiterated that all the circumstances must be examined when considering similarity, including the type of goods, the level of proximity or difference between the goods, the extent of the earlier mark's reputation, its distinctiveness (whether inherent or acquired through use) and the likelihood of confusion. Finally, the court noted that, in order to bring an opposition on the basis of Article 8 (5), the owner of the earlier trademark did not have to demonstrate that any actual detriment had been caused to the earlier mark, but that there was a real risk that this might happen in the future.

The court further stated that, to have a reputation, a mark must be known to a significant part of the relevant public. Unsurprisingly, it was not contested that, throughout the European Union, VIAGRA had a considerable reputation as a drug for the treatment of impotence, nor that VIAGRA had a reputation with its users as well as the general public. Therefore, the court held that the second condition of Article 8(5) was satisfied.

Taking the visual appearance of the marks first, and reflecting the board's analysis, the court recognised that all of the letters in VIAGRA were contained in VIAGUARA, the first four letters also being in the same order. The only difference between the marks was the extra 'U' and 'A' in VIAGUARA. The court did not consider that this was significant, as a consumer would pay most attention to the first part of the mark, which in this case was identical. Viaguara sought to challenge the court in the hearing by filing evidence of numerous other trademarks registered with the prefix 'via', but the court considered such evidence to be inadmissible.

The court then examined the phonetic similarity between the marks. It acknowledged that VIAGRA would be pronounced 'via-gra' or 'vi-a-gra' and that VIAGUARA would be pronounced 'via-gua-ra', 'vi-a-gua-ra' or 'vi-aga-a-ra' in most European languages. Therefore, the first syllable or first two syllables and the last two letters would be identical. Given that the consumers would pay most attention to the beginning of the words, which sounded identical, the minor difference created by the 'ua' in VIAGUARA did not prevent the marks from being very similar phonetically.

The court then examined the conceptual similarity of the marks. It agreed with the board that, while 'via' meant 'road' in Spanish and 'by' or 'through' in other European languages, neither of the marks had any meaning in any European language, so they could not be compared conceptually. Viaguara sought to claim that the 'guara' part of its mark would make the public think of the South American plant guarana, an ingredient used in Viaguara's drinks. The court rejected this, particularly as the 'guara' part was only part of the name of that plant.

Further, the Court confirmed that the greater the similarity between the marks, the more likely it was that the public would perceive a commercial connection. While Article 8(5) did not require identical or similar goods, the type of goods and their similarity would form part of the global appreciation of whether there was a commercial connection.

The court acknowledged that the board had considered that there was a commercial connection between the marks due to their high degree of similarity and, contrary to Viaguara's submissions, other factors. Such factors included proceedings in the UK High Court, which had held that:

- VIAGRA was inherently distinctive (being neither an ordinary English word nor descriptive of the characteristics or quality of medicinal products);
- VIAGRA had acquired a reputation in a short space of time; and
- it was rare that a trademark for a pharmaceutical product would enter into common parlance in such a short time.

The court also stated that the board had considered the nature of the goods, their properties and the image projected by the VIAGRA mark. Therefore, the board had not failed to conduct a global consideration of the marks. The court concluded that the high degree of similarity between the marks and VIAGRA's substantial reputation would create a commercial connection in the minds of the public even if the goods were dissimilar. Accordingly, the first condition of Article 8(5) was satisfied.

The board had also concluded that there was a risk that use of VIAGUARA mark would take unfair advantage of the reputation of the VIAGRA mark. The court noted that the well-known mark would be valuable and project images such as luxury, exclusivity, adventure or youth and that this image might be projected onto Viaguara's mark, which would mean that sales of the goods would increase due to their association with the positive qualities of the VIAGRA mark.

The board had again relied on an injunction granted by the UK High Court in respect of VIAGRENE, which was registered for drinks containing plant extracts and conveyed messages of pleasure, vitality, power and youth. Viaguara said that the court should not have relied on national decisions, but this was rejected on the basis that the national decision illustrated the facts.

The board had also commented that, while the suffix 'guara' alone might be legitimate, as guarana was an ingredient in Viaguara's drinks, the addition of 'via' linked it to VIAGRA. Further, Viaguara promoted the stimulating and aphrodisiac qualities of its non-alcoholic drinks. Even if the drinks would not treat impotence, the consumer would be inclined to purchase them on the assumption that they would have similar qualities, due to the positive association with VIAGRA. In respect of its alcoholic drinks, the applicant itself admitted that the drinks contained guarana, which has a fortifying and stimulating effect on the mind and the body, similar to the effects of a drug.

Viaguara alleged that images of pleasure, vitality, power and youth projected by VIAGRA were incompatible with a drug sold under prescription to treat a serious illness. The court disagreed: VIAGRA projected an image of vitality and power rather than of the treatment of a serious illness, because it had recreational users. The applicant also challenged the board's reliance on the promotional materials, as the applicant felt that the board should have considered the actual properties of the goods. The court disagreed.

In support of its submissions, Pfizer produced a website extract where Viaguara had described the qualities and effects of 'guarana' in its alcoholic drinks. The extract claimed that Viaguara's drinks had beneficial effects on health and also aphrodisiac effects. This showed that the drinks were marketed as improving sexual performance, undeniably one of the qualities of VIAGRA. Pfizer also produced photos of packaging which showed nude masculine forms. While Viaguara claimed that nude images were an example of primitive art, the court disagreed; it was a clear attempt to link Viaguara to the qualities associated with VIAGRA.

Therefore, the court held that the board was correct to decide that the use of VIAGUARA would exploit, without any financial compensation, the power of attraction, reputation and prestige of the VIAGRA mark by using the marketing investment of Pfizer to promote its own goods. Consumers would be inclined to buy Viaguara's goods believing that they would have a similar effect to VIAGRA. As Viaguara could not demonstrate any fair use of the mark based on its previously unsuccessful 'guarana' argument, the appeal failed.

This case is a relatively clear-cut example of one trademark taking advantage of another well-known mark. It is interesting to note that Viaguara continues to include the VIAGUARA mark on its website and that Pfizer has also opposed an application made in 2010 to register VIAGUARANA as a CTM. While not expressly identified in the judgment, there are clear policy reasons which explain why the court was right to uphold the earlier decision, as there could be serious implications if owners of trademarks for mass market consumer goods were entitled to claim that their products have the same effects as prescribed drugs which undergo rigorous testing and marketing authorisation procedures.

Contact

Chris McLeod

Partner

T +44 20 7655 1590

E chris.mcleod@squiresanders.com

Ellie Forrest-Charde

Associate

T +44 20 7655 1144

E ellie.forrest-charde@squiresanders.com

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