Law Lore & Practice

PTMG Pharmaceutical Trade Marks Group

Dec 2015

Editorial: Peace be with you ...

As 2015 draws to a close, I for one will not be looking back much as this year has carried a heavy load. And yet, the recent PTMG conference in Warsaw provided us with another opportunity to celebrate that which makes our organisation truly unique. A gathering of over 60 nationalities, all sharing a common interest, where the basis of our professional and personal relationships is wholehearted respect for the culture and values of others.

Perhaps 2015 will be remembered by future generations as the year when, being unable to solve our differences, we nevertheless took charge of our own planet's destiny. Each and every one of us can and should make an impact - even reading Law, Lore & Practice on a screen rather than printing it out - if we want to hand down a positive legacy to the future. Luckily, local and personal initiatives are here again leading the way and influencing the debate.

Whilst the symbolism of bringing together world leaders in Paris at this time, for the COP21, is lost on no-one, the ecological impact of huge motorcades of security staff for each of them does leave one wondering whether such gatherings should not be held virtually. As ever, new technologies bring advantages and disadvantages and if we are told that part of the massive waste recycling issues we now face are due to constant upgrades of mobile technology, then we must also discipline ourselves to exploit the technology to better our planet and ultimately the lives of all those who live upon her.

Unlike Janus, I shall only be looking forward in the coming weeks - to 2016, to another conference at The Savoy in March with an exciting programme and of course to our Autumn conference in Oslo. The PTMG Committee members all join me in wishing you and your families a peaceful festive season.

Vanessa

US Update

Jonathan S. Jennings, Pattishall, McAuliffe

Brand owners in the pharma industry have several bases for taking action against parallel imports (gray market goods) in the United States. Of course, they can work with the FDA, Customs, or other government agencies, but they may also take direct action by bringing suit in federal court based on a violation of trade mark and unfair competition laws. On 6 November 2015, the United States District Court for the Eastern District of New York underscored this point by preliminarily enjoining the sales of gray market diabetes test strips in Abbott Laboratories v Adelphia Supply USA, Case No. 1:15-cv-5826 (E.D.N.Y.) (unreported). In this case, the court found that the defendants' sale and distribution of FreeStyle test strips designed for the international market caused a likelihood of confusion with Abbott's authorized domestic sales of FreeStyle strips meant for the US market.

Significantly, although the actual domestic and international test strips were identical, the court found that the differences in the packaging and the instructional inserts for the products would be material to the consumer purchase decision and, therefore, sufficiently material to cause consumer confusion. "Material differences" is the standard typically followed under US law to determine whether sales of a gray market good should be enjoined. In coming to this decision, the court highlighted eight material differences presented by Abbott between the domestic and international products at issue, which included:

- The US package includes a National Drug Code number, while the international strips do not. Pharmacies scan these codes for insurance reimbursement.
- The instructional insert for the US strips states that a user could obtain blood from three FDA-approved sites - the finger, upper arm, or palm - while the international version lists the finger, upper arm, and palm, as well as non-FDA approved back of hand, forearm, calf, and thigh as sites to obtain blood.
- The packaging and instructional inserts for the US strips are in English and Spanish, while the packaging and instructional insert for the international strips were often in other languages, and may not include English.
- The international packaging contains various symbols unaccompanied by explanatory text, which the domestic packaging does not.

Of note, the court rejected one of the wholesale defendant's arguments that confusion was unlikely because its customers are pharmacies, which it alleged are sophisticated and know when they are purchasing non-US test strips.

Further, the court found that the defendants' sale of the international strips interferes with Abbott's quality control for its domestic products. Abbott presented evidence to establish that it "has in place

continued on page 3

Words from the Chair

Another year has almost passed and here comes our final 2015 issue of LL&P. I feel the PTMG Conferences in 2015 went very well. At least we got a lot of very friendly feedback.

We started with our Spring Conference in Venice in March. Both the city and the hotel were anticipated to be great and I must say that both fully met our expectations. I will never forget the guided tour of the St. Marc's Basilica (especially the moment when the dark church was suddenly illuminated) just before our optional dinner on the first night. That was really an amazing experience. And it will probably not happen too often in the future that we are taken by fancy boats to the Gala Dinner which in Venice was held in another outstanding location.

It has been a thrilling experience for me personally to chair my first PTMG Conference in Warsaw in Autumn. The longer it went on the more I enjoyed it. It felt like a surfer riding on a wave. I think we were really blessed this time with a wonderful group of speakers who had invested a lot of time and efforts which resulted in excellent presentations. For many of us Warsaw as a city was quite a pleasant surprise and even the weather was very nice for this time of the year. And I should not forget the brilliant evening venues. My personal highlight was the appearance of the ballet dancers on the staircase of the National Theatre!

I am very glad that we are going back to the legendary Savoy Hotel in London next Spring (especially since I missed it last time) and so far it seems that we have been able to develop an interesting programme which will be published soon. Registration will start in January. If you do not wish to end up on some waiting list please make sure to register promptly after registration has opened.

I wish all the PTMG members, your families and friends a Merry Christmas and a Happy New Year. Let us all hope and pray for a more peaceful year 2016!

Frank Meixner

Alleged ambiguity of Alzheimer and Parkinson medicines

Johannes Furhmann, Bomhard IP

OHIM's Fourth Board of Appeal recently took a noteworthy position concerning Alzheimer and Parkinson medicines (decision of 22 July 2015, Case R 568/2015-4).

To settle an opposition against its mark, the applicant intended to exclude those goods from class 5, which were of the opponent's concern, namely pharmaceutical preparations relating to dementia, Alzheimer's disease or Parkinson's disease. The applicant consecutively filed two different limitations, both of which were considered inadmissible by the Board of Appeal.

While requesting some further amendments, the applicant in particular requested to add at the end of class 5: "none of the foregoing being pharmaceutical preparations relating to dementia, Alzheimer's disease and Parkinson's disease".

A few weeks later, the applicant requested a slightly amended limitation to "none of the foregoing being pharmaceutical preparations relating to the field of neuroscience, including dementia, Alzheimer's disease and Parkinson's disease".

Interestingly, the Board of Appeal was of the opinion the limitations would not be admissible as not meeting the requirement of clarity and precision. Allegedly, the disclaimers would be ambiguous as it would not be possible to clearly identify the nature of these pharmaceutical preparations, since the causes of these diseases are still not fully known.

This position of the Board of Appeal is surprising, in particular considering that a limitation to a specific therapeutic indication is generally accepted under EU jurisprudence to define a specific sub-category (see ECJ, case C31/14 P (PRAMINO v PREMENO)). In addition, already in its decisions RESPICORT v RESPICUR and ZURCAL v ZUFAL, the General Court made it clear that a limitation to an active ingredient is insufficient to clarify a pharmaceutical product's therapeutic indication. The Court took into consideration that a given medical condition can often be treated using a number of types of medication with different dosage forms and containing different active ingredients. One could well argue that when excluding Alzheimer or Parkinson medicines from the application, it is clear for the public that any goods that are potentially used for the curing of these diseases, irrespective of their active ingredient, are not covered by the mark.

As regards the second limitation, the Board of Appeal noted that it merely enlarged the first disclaimer to the field of neuroscience in general and that would be inadmissible for that reason alone. However, this refusal by the Board of Appeal also surprises. By adding "not in the field of neuroscience", the applicant excluded further goods and not less. The denial of that addition would prohibit the trade mark owner from further excluding a wider range of goods.

Overall, a limitation to a specific therapeutic indication must, despite this decision of the Board of Appeal, still be considered a suitable way on how to stay away from another specific pharmaceutical field. However, the decision shows that caution is demanded even with rather seemingly straightforward limitations.

Trade marks win over secrecy in German banking

Magnus Hirsch, SKW Schwarz Rechtsanwälte, Frankfurt

With its 21 October 2015 decision, the German Federal Supreme Court materially strengthened the trade mark owner's position facilitating the enforcement against counterfeiters. While until now the trade mark owner was forced to file for criminal action in order to obtain the name and address of a bank account holder, the highest German court now confirmed that banks have to disclose the name and address of the account holder where a bank account has been used to receive monies resulting from sales of counterfeits.

In the specific case, the plaintiff, a licensee for manufacturing and distribution of Davidoff perfumes, conducted test purchases through the internet platform of eBay and money was paid to a bank account at the Stadtsparkasse Magdeburg. Yet, the plaintiff was not able to find out who the seller of the counterfeit perfume was. Therefore it turned to the Sparkasse requesting information on the name and address of the bank account, a claim which was refused by the Sparkasse with reference to banking secrecy. The plaintiff took the case to court and in the first instance, the District Court ordered that the bank had to disclose who the account owner was, while the Appellate Court overruled and rejected the claim.

Then, the German Federal Supreme Court suspended the proceedings, asking the European Court of Justice whether a provision allowing a banking institution to invoke banking secrecy in order to refuse to provide, pursuant to Article 8(1)(c) of the Enforcement Directive (2004/48/EC), information concerning the name and address of an account holder complied with the Directive. On 16 July 2015, the European Court of Justice decided that Art. 8 (3) (e) of the Enforcement Directive had to be interpreted in that a national provision which allows, in an unlimited and unconditional manner, a banking institution to invoke banking secrecy in order to refuse to provide information concerning the name and address of an account holder was against the Enforcement Directive. This decision was subject national courts to decide on each of such provisions whether such general, unlimited and unconditional right of refusal was granted. In addition, the national courts would have to evaluate whether there were other means for the trade mark owner to obtain the respective information.

Now, everyone was eager to see what this would mean in the specific case and it took only three months for the German Federal Supreme Court to decide that a bank cannot- on the basis of banking secrecy- refuse to disclose the name and address of a bank account holder of an account that was used for selling counterfeit items. Both the right to data protection of the account owners and the constitutional professional freedom of the bank have to stand back against the constitutional right of the trade mark owner for protection of its intellectual property and an effective enforcement of same. What has now been decided for the banking secrecy will likely apply to other rights to refuse to give evidence. Needless to say that this is true not only for perfumes but for pharmaceuticals too.

continued from page 1

and abides by established, legitimate, substantial, and nonpretextual quality-control measures" for its FreeStyle strips.

Abbott convinced the court that the sale of test strips outside of its quality control would diminish the value of Abbott's trade mark, because, for example, it could not "execute effective targeted recalls, since it will not know in what country the product to be recalled can be found. Instead, it will be forced to recall none or all of a product."

Following this decision on 20 November 2015, Abbott moved to amend its complaint by adding 53 new defendants to the case — primarily US based wholesalers of gray market FreeStyle test strips — and moved for injunctive relief against these parties as well.

This case is still pending and the injunction is only preliminary and not permanent, but it offers support for companies seeking to enjoin the sale of gray market pharmaceutical and medical products in the United States. One important takeaway from this case is that even if the domestic and international products are otherwise identical, brand owners have a cause of action under the trade mark laws against materially different pharmaceutical products even where material differences exist only between the packaging and inserts.

91st PTMG Conference

The Savoy London

14th - 15th March 2016

Registration will open mid January

International Update

Canada

Christina Settimi, Bereskin & Parr LLP, Toronto, Canada

Although pharmaceutical counterfeiting has not, historically, been a problem of significant magnitude in Canada, with counterfeit health products on the rise globally, fraudulent drugs are increasingly showing up in Canada's supply chain, not only through unregulated Internet sites, but also through legitimate licensed pharmacies. For example, in August of 2015, US government prosecutors indicted online Canadian pharmacy Canada Drugs Ltd. on an array of charges, including the sale of counterfeit versions of the cancer drug Avastin to doctors across the United States.

Until recently, Canada did not have an effective regime for enforcement against counterfeit pharmaceuticals and other counterfeit goods. However, Canada's anti-counterfeit regime recently received a significant overhaul with the coming into force of Bill C-8, the Combatting Counterfeit Products Act (the CCPA). The CCPA, which was part of a broader set of significant amendments to Canadian copyright and trade mark laws, introduced a number of sweeping changes aimed at providing trade mark and copyright owners with new ammunition to challenge counterfeit goods.

New Civil Causes of Action and Criminal Sanctions

Among the changes introduced to the Trade Marks Act by the CCPA is an expanded definition of infringement, as well as an express statutory prohibition against the unauthorized importation and exportation of goods bearing a trade mark that is "identical to, or…cannot be distinguished in its essential aspects from" a registered trade mark. New criminal sanctions relating to registered marks were also added, making the sale, distribution, possession, importation or exportation of counterfeit goods a criminal offence subject to substantial fines and/or possible jail time.

New Border Provisions

As a corollary to the express prohibitions against importation and exportation of counterfeit goods, Canadian customs officers have been granted expanded powers of search, seizure and detention. An IP rights holder – that is, a registered copyright or trade mark owner – may obtain targeted assistance from the Canada Border Services Agency (CBSA) by filing a "Request for Assistance" which sets out its trade mark rights (and/or copyrights) and requests border officials to detain commercial shipments suspected of containing counterfeit goods. If suspected counterfeit goods are discovered, customs officers are permitted to temporarily detain the goods for a period of five days, in the case of perishable items, and ten working days for non-perishable items, and to exchange information about the items detained with the IP rights holder. To extend the detention period, the rights holder will need to bring a court action to enforce Bill C-8's prohibitions on counterfeit goods bearing a registered trade mark (and/or pirated works that infringe copyright), and provide notice of the court action to the Minister before the detention period expires.

Border officers also have the ability to provide registered copyright and trade mark owners with samples of the detained goods for inspection, as well as other identifying information about the goods to assist the registered owner in deciding whether to initiate legal proceedings against the importer or source.

Best Practices for Brand Owners

Since most of the new enforcement mechanisms apply exclusively to registered trade marks, brand owners, particularly brand owners whose goods are subject to counterfeiting, such as pharmaceuticals, should carefully review their trade mark portfolios to ensure that they have the necessary trade mark registrations in place to enable them to take advantage of the new regime, both in terms of the marks protected, as well as the scope of the goods protected. Brand owners should also give consideration to proactively filing RFA forms with the CBSA, particularly given that there is no cost to do so (although the cost of storage of any goods seized or detained will eventually be borne by the registered owner). Finally, since a registered owner is only provided a short window of time in which to consider the detention and whether to initiate legal proceedings, any rights holder who files an RFA should have established procedures in place for reviewing detained goods quickly and deciding what, if any, action to take.

Chile

Bernardita Torres Arrau, Porzio, Ríos & Asociados

After five years of negotiations, Chile has joined the Trans Pacific Partnership Agreement (TPP).

The Intellectual Property Chapter of the TPP includes new obligations for the subscribing parties, which will have to be harmonized with the local rules currently in force.

For example, article 18.22 of the TPP establishes that "No Party shall require as a condition for determining that a trade mark is well-known that the trade mark has been registered in the Party or in another jurisdiction, included on a list of well-known trade marks, or given prior recognition as a well-known trade mark".

However, article 20 letter (g) of the Chilean Industrial Property Law establishes that "may not be registered as marks (…) identical marks or marks that graphically or phonetically so resemble one another as to be confused with other marks registered abroad for the same products (…), insofar as the latter marks enjoy fame and renown in the relevant segment of the public that usually consumes or seeks out those products (…) in the country of origin of the registration".

Therefore, according to the TPP a well-known mark would have to be recognized and protected in Chile, even if it has not been registered abroad. Nevertheless, up to this date the Trade Mark Office has only has rejected new applications on the basis of foreign well-known marks, if during the opposition proceedings it has been proved that the foreign mark is registered at least in its country of origin, being at the same time famous and notorious among consumers.

Once the TPP comes into force, the Chilean Trade mark Office will have to adapt the procedure of recognition of well-known marks in order to comply with article 18.22 of the Agreement.

India

Ms. Samta Mehra, Remfry & Sagar

Trade marks concerning medicinal and pharmaceutical preparations usually undergo strict examination, and their similarity to prior marks is adjudged keeping in mind the doctrine of dangerous consequences. While disparity in goods is usually considered a valuable defence to objections on relative grounds, this argument is rendered challenging vis-à-vis pharmaceutical/medicinal goods given the consequences involved and a consumer driven perspective unwilling to compromise on adverse effects. It also means precedents differentiating between medicinal and pharmaceutical preparations are scarce. In this context, the Bombay High Court's June 2015 verdict in Indchemie Health Specialities Pvt. Ltd v Intas Pharmaceuticals Ltd. is a significant one.

The plaintiff, Indchemie Health Specialities Pvt. Ltd., manufactured pharmaceutical preparations treating iron deficiency and had been selling their product under the mark Cheri since 1987. On learning of the defendant's (Intas Pharmaceuticals Ltd.) use of Multi Cherry (since 2012) for multivitamin supplements, the

continued on page 5

plaintiff brought forth an action of infringement and passing off asserting its prior rights and seeking grant of injunction against the defendant's use of the said mark.

The defendant countered by making known the limitation imposed by the Registrar on Cheri - its specification had been restricted to 'pharmaceutical preparations' while 'medicinal preparations' had been struck off since Cheri/Cherry could be construed as descriptive of the latter on account of its medicinal properties. The defendant also argued that Cheri, a pharmaceutical preparation, was dissimilar in nature to the product Multi Cherry, a dietary supplement. For its part, the plaintiff asserted that though its registration had been limited to 'pharmaceutical preparations', the statutory definition of infringement was wider and protected against misuse re identical and similar goods, provided there was likelihood of confusion.

The court held that as the plaintiffs had specifically given up a claim over 'medicinal preparations', the word 'similar' for the purposes of determining infringement in the case at hand would have to be construed more narrowly than in the usual course and rights over the mark Cheri could not be extended to other goods for which protection was never meant to be in the first place. Further the plaintiff's product was a pharmaceutical preparation governed under the Indian Drugs and Cosmetics Act, 1940, whereas the defendant's product was essentially a proprietary food product governed under Indian Food Safety and Standards Act, 2006. While the former was a 'drug', therapeutic in nature, and meant to be used 'as directed by a physician', the latter was a food product to be consumed on a dietician's recommendation and one which clearly disclaimed it could prevent or cure any disease. Considering these factors, the court held there was sufficient evidence to say that the goods of the plaintiff and defendant were dissimilar. In its opinion, the facts also established that likelihood of consumer confusion was unlikely. Thus, it refused to injunct use of Multi Cherry.

The court's nuanced reasoning is a welcome comment on the blurred line between pharmaceutical products and dietary supplements. However, whether the factors considered will be as apparent to consumers rendering them impervious to confusion, is a question only time will settle.

Kosovo

PETOSEVIC

The Laws amending the Law on Trade marks and the Law on Patents entered into force in Kosovo on 8 September, 2015. The changes aim to bring Kosovo IP legislation in line with the European Union legislation. Below is the summary of the most important changes.

The Law amending the Law on Trade marks also does not introduce any changes to the substantive part nor to the trade mark registration procedure. However, the amendments introduce some changes and additions to the basic law.

As the basic law did not include provisions on reinstatement or restoration of rights, up until recently the parties relied on the provisions of the Law on Administrative Procedure as lex generalis. However, this law did not provide a subjective deadline upon which a party could request the reinstatement of rights; it only said that the request for restitution could be filed within a period of 10 days from the removal or elimination of obstacles, but no later than one year from the last day the omitted deadline expired. The new provision that has been added includes a subjective deadline, meaning that the holder can take action within a period of three months from the date they found out that a certain right had been lost and within the objective deadline of one year.

Another change concerns the renewal of trade marks. Up until now, if the holder wanted to limit the list of goods/services when renewing a certain trade mark, he had to file a separate request and pay an additional fee. The amendments make it possible to limit the list by filing the renewal request only.

The amendments also introduce changes to provisions related to the available remedies in case of trade mark infringement. The Law on Contested Procedure already covered most of the issues introduced by the amendments. However, an important change is that in addition to requesting the removal, confiscation and destruction of infringing goods, the plaintiff can now request the removal, confiscation and destruction of the materials and tools used in the production of these goods.

Latvia

PETOSEVIC

On 1 January 2016, the new Industrial Property Institutions and Procedures Act will enter into force in Latvia, bringing some significant changes to the IP procedures in this country.

The new law will introduce a unified set of administrative procedure rules for all types of IP rights, as opposed to a separate set of rules, which is currently in force.

Under the new law, the period of time for trade mark applicant to reply to an opposition has been reduced from three to two months. The current mainly oral hearings in opposition and appeal proceedings will be replaced with the obligatory written exchange of arguments, with the possibility of oral hearings if one of the parties requests them or if the Board of Appeals decides they are necessary. Also, if the dispute is settled before the deadline to reply to an opposition expires, the new law provides for a 50 percent reimbursement of the opposition fees.

The appeal proceedings will also undergo some major changes as they will no longer be dealt with within the administrative procedure, but will be subject to the separate de novo civil court proceedings.

The law will also introduce new obligations and rights for the patent and trade mark attorneys. These obligations and rights have not been explicitly regulated so far.

Libya

NJQ & ASSOCIATES

This is to inform you that the trade marks Registrar confirmed that it would be possible to lodge renewal applications in respect of expired trade marks, regardless to their expiry date, until 31 December 2015. After said date, all expired (lapsed) trademarks will be treated as cancelled.

It is possible to issue registration certificates for expired applications after paying the normal renewal fee as well as paying the registration fee simultaneously.

To submit renewal applications or obtaining registration certificates, applicants are required to provide specimen of the mark, filing number, filing date, applicant details, class, and list of goods. No other documents are needed.

Russia

PETOSEVIC

The amendments to the Law on Protection of Competition were adopted in Russia on 5 October 2015 and will enter into force on 5 January 2016.

The most important change concerns Chapter 2 called "Unfair Competition", which now includes eight articles (141–148) instead of one, as various forms of unfair competition are defined in more detail.

continued on page 6

The new version of the law prohibits:

- ✗ Dissemination of false, inaccurate or misleading information that may cause damage to an economic entity or its business reputation (Art. 141);
- ✗ Misleading others as to the price, quality, quantity, place of production or other characteristics of the goods (Art. 142);
- ✗ Incorrect comparison of business entities or their goods, including the use of terms such as "the best", "first", "number one", "only", "exclusive", "just", without indicating characteristics or parameters of comparison that can be verified in practice (Art. 143);
- ✗ Registration of IP rights in bad faith (Art. 144);
- ✗ Commercialization of goods with illegally used IP rights (Art. 145);
- ✗ Committing or omitting acts that can lead to confusion with regards to competing business entities or goods, including the illegal use of trade marks, service marks, company names, trade names, appellations of origin, or trade dress infringement (colors, packaging, design of retail space, corporate style, shop windows) (Art. 146);
- ✗ Illegal disclosure of information (Art. 147);
- ✗ Other forms of unfair competition (Art. 148).

Serbia

PETOSEVIC

A new decree on customs enforcement of intellectual property rights, modelled after the EU Regulation No. 608/2013, entered into effect in Serbia on 1 September,2015. This new decree was published in the Official Gazette No. 25 of 13 March 2015.

Under the decree, the trade mark owner's declaration of liability is incorporated in the Customs Watch Application and is no longer required as a separate document.

The new decree requires IP rights holders to provide more information on genuine goods, including technical information, distribution channels, etc. It remains to be seen how this will be applied in practice, as we have not yet filed any Customs Watch Application under the new regulation. However, at this point, the following additional information is required:

- Distinctive features of genuine goods (a scanned copy of presentation/guideline on counterfeits would also be useful, if available)
- Places of production
- Relevant companies – authorized importers/suppliers/manufacturers/ consignees/exporters
- Authorized traders (name, address and registration numbers of persons or entities)

The new decree provides for a simplified procedure for the destruction of goods, without a court order, if the holder of the goods consents to the destruction (explicitly or tacitly) within a deadline of 10 working days (three working days for perishable goods) and if the IP rights holder confirms that the goods are counterfeit and requests their destruction within the same deadline. This deadline cannot be extended unless the IP rights holder decides to file a lawsuit. The old decree allowed for a deadline extension of 10 working days in both cases (request for destruction of the goods under the simplified procedure or lawsuit). Moreover, the deadline to request a Customs Watch in ex-officio cases is now four working days, rather than three.

An important novelty is the introduction of the "small consignments procedure". Small consignments are postal or express courier consignments that contain three units or less or weigh less than two kilograms. However, as the customs authorities announced, dealing with small consignments requires certain technical adjustments that the Customs Administration has yet to implement, thus some delays are expected before this procedure is put into practice.

United Kingdom

Rachel Conroy, Boult Wade Tennant

Background

The Defendants proposed to import into the UK pharmaceutical products which had been sold in other EU Member States under the brand name Epanutin and affixing to them the name Phenytoin Sodium Flynn (phenytoin sodium being the pharmaceutical ingredient). The Claimant, Flynn Pharma Limited (Flynn Pharma), alleged that this would constitute an infringement under section 10(1) of the Trade Marks Act 1994 of its UK and CTM trade mark registrations for FLYNN in Class 5 because it is use of the identical sign for identical goods, and sought an injunction.

The Defendants sought to rely on two defences:

1 that such imports would not be an infringement because use of the word Flynn would be a description of the goods as allowed under section 11(2)(b) of the Act; or

2 that the reliance by Flynn Pharma on its trade mark rights under domestic legislation to stop these imports constitutes a disguised restriction on trade and is contrary to the free movement provisions of the Treaty on the Functioning of the European Union (TFEU).

Decision

Does the Defendants' use of the word FLYNN amount to trade mark use?

The Judge held that the Defendants' use of the word FLYNN is not a description of the goods. It is not a word associated with medicines or ingredients or otherwise denoting the qualities or characteristics of the medicine. It will be perceived by consumers as a mark of origin because there is no evidence that consumers will interpret the sign in the way the Defendants suggest, namely as an indication of the source of the Active Pharmaceutical Ingredient (API) or the site of the manufacture of the product. They will interpret it as being an indication of the holder of the marketing authorisation of the product and therefore as indicating that the product originates with Flynn Pharma as being the entity responsible for the quality of the goods. The Judge concluded that this is clearly a trade mark use of the sign.

Is the prevention of these parallel imports contrary to EU law?

The Judge looked in detail at existing case law on parallel imports and exhaustion of rights. She held that the Defendants can only rely on the TFEU to defeat the claim of infringement if they can show that Epanutin was placed on the market in the exporting Member State by the same entity as is now seeking to prevent its import into the UK. While Flynn Pharma is responsible for placing its product on the market in the UK, Pfizer (with whom Flynn Pharma has an agreement), is responsible for placing Epanutin on the market in other Member States. Therefore, Flynn Pharma's trade mark rights were not exhausted in respect of Epanutin placed on the market in other Member States, and Flynn Pharma's claim for infringement succeeded.

Members News

New Members

We are delighted to welcome the following new members to the Group:

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Moves and Mergers

Sonia Elkrief has established her own business. She can now be contacted at soniaelkrief@reseau-bugnion.ch.

Mark Hiddleston has left Elkington & Fife to establish his own business, Hiddleston Trade Marks in Sevenoaks, Kent, UK. Mark can be contacted at mark.hiddleston@hiddlestons.com

Maria Kyriakou has left Markides, Markides & Co. and joined Makylo IP Services in Nicosia, Cyprus. Maria can be contacted at info@makylo.com

Maria Del Pilar Troncoso has left Troncoso Y Caceres to join Troncoso Leroux in Santo Domingo, Dominican Republic. Maria can be contacted at mptroncoso@troncosoleroux.do

Please remember to let us know of any changes to your contact details. You can notify me either via the PTMG website www.ptmg.org or directly to Lesley@ptmg.org or by writing to me at Tillingbourne House, 115 Gregories Road, Beaconsfield, Bucks, HP9 1HZ

Lesley Edwards
PTMG Secretary

The PTMG Management Committee would like to remind members that certain best practices surround privately arranged events taking place during the Spring and Autumn conferences. Such events must be arranged in advance and receive prior approval from Lesley Edwards. Advertising material must not make use of the PTMG trade mark and flyers or invitations are not to be distributed during the conference itself.

At the Spring conference, such events should be limited to the Monday morning and lunchtime, allowing delegates sufficient time to return to the conference hotel and register prior to commencement of the conference. At the Autumn conference, they should be limited to the Wednesday evening, to commence at such a time which will not require delegates to leave the Welcome Reception before 8.00pm or subsequent to the closure of Conference.

PTMG 91st CONFERENCE - WARSAW 2015

A Polish Rhapsody - Stay Tuned in Pharmaceutical Trade Marks

Jean McIvor, Partner at Spoor & Fisher, South Africa

It was the first visit to Poland for many of the delegates who booked in time to avoid the cut-off number of the ever over-subscribed Autumn Conference. Warsaw certainly wears its heart on its sleeve and provided plenty of interest for those able to enjoy the sights other than the monumental Palace of Culture, "The Gift of Stalin", across from the InterContinental Hotel where we were based. In any event, the official programme also gave insights into our host country with Marek Lazewski's miscellany which opened the conference, and the two evening functions. As always, PTMG managed to strike the perfect balance between business, education and interest, and must be complimented on their attention to detail and their personal touch.

After the usual welcome reception at which the noise levels steadily increased with familiar greetings and the circulation of people, the first session got off to a leisurely start on Thursday morning. Our new Chairman Frank Meixner introduced himself and confessed to being a bit intimidated having to follow his formidable women predecessors. But with his own style and diplomatic skills from his former life, he suavely guided proceedings for the next two days.

Marek Lazewski

In Marek Lazewski's opening talk entitled "A Tale of Three Cities", he took us on a short and fascinating tour of Poland's history since the war which reduced Warsaw to rubble, from communism and a central economy to the modern free market era and the city we see today. These changes in the landscape have been mirrored by changes in the legal landscape but it is still very much a system in transition with some lingering suspicions towards intellectual property rights illustrated, for example, by resistance to brand extension. What he did stress was the Polish love of brands as the economy has moved from the grey communist era to the colourful world of trade marks representing a vision of a better world. He paid tribute to the iconic Zubrõwka/Bison brand of vodka, sampled by some the evening before, and its distinctive grass straw contained in the bottle.

Nicolas-David Lair

The next speaker was the youthful Nicolas-David Lair who delivered a cracking Founder's lecture and it was a pity that Derek Rossiter in whose honour it was given, could not be there to hear it first-hand as much of Nicolas-David's French "expressionism" would not be as apparent from a reading of his paper. The lecture was entitled "Private Labels in OTC" (or "How to make money") and provided a dense and well researched overview of the problem of lookalike OTC pharmaceuticals where "the enemy" is often one of the brand owner's large customers. He conducted a thorough survey of the position in the USA, European jurisdictions, Canada, Australia and South Africa, and the different legal approaches followed, largely unsuccessfully, because of the absence of confusion which makes it difficult to take action against this "parasitic" practice. The talk was well illustrated with many examples and slides of store shelves which demonstrated the problem. This report cannot do justice to this truly excellent paper and you are urged to read it in full on the PTMG website.

Barbara Kuchar

Trade Secrets, or "the 4th IP right", was the next topic handled in two parts with Barbara Kuchar sketching the EU regime, and Mathew Lombard dealing with the US position. Some interesting statistics about the misappropriation of trade secrets and confidential information emerged, with employees, ex-employees or business partners being responsible for the vast majority of breaches, and the problem is on the increase in the "paperless age" with so much information ironically now more accessible in its digital form than before, to unscrupulous parties. Yet, as Mathew pointed out, most companies spend more on coffee than on securing web applications.

Barbara traced development of the law in Europe from Article 39.3 of TRIPS through to the draft European Directive, due to have its first reading before the European Parliament in November. In the process, she summarized the present position under the national laws of the various countries, with only Sweden having a dedicated law on the subject, and the rest largely relying on the common law, tort law or unfair competition. This certainly highlighted the need for a uniform approach but there is still controversy around how to legislate in this area. She then took us through the provisions of the Directive in some detail.

Mathew Lombard

Mathew dealt with both civil liability and criminal liability under the Economic Espionage Act. After piling up the evidence of data breaches in major companies recently which was certainly a call to action, he also gave useful background on the reasons for keeping something a "trade secret" rather than protecting it in other ways such as through registration. Both speakers provided good advice on best practice and a host of steps and actions which should be taken to restrict access, to manage and segregate information, to have confidentiality or non-disclosure agreements in place, but also to review these regularly as employees move up the promotion ladder, and so on.

The next two papers had a regional focus with David Aylen dealing with Developments in Russia, and Scott Palmer discussing Challenges and Opportunities

David Aylen

under China's new trade mark regime. David described his talk as a "tapas" and gave a good summary of Russia today, its 140 million pharmaceutical hungry consumers, its trade mark law and system, regulatory framework for pharmaceuticals, recent IP case law, and the Pharma 2020 programme to grow the local pharmaceutical industry. It was interesting to hear that parallel imports are presently illegal and that counterfeits (unofficially about 50% of OTC products) and unregulated on-line pharmacies abound. He also dealt with the newly formed Eurasian Economic Union (EAEU) and the common market which it introduces in January 2016, including for medicines and medical products and devices, with a single customs union and harmonized control and supervision over such products.

Scott Palmer

Scott Palmer then spoke on the "mixed bag" of changes to the law in China, some good and some not so good, such as the removal of appeals from failed oppositions, the need for both parties to apply jointly for an assignment recordal through the same agent and the retention of the 15 day period for response to a rejection. Of special interest to brand owners was his very good analysis of possible remedies in the case of trade mark "hijacking" which made it apparent that despite some small signs of change it is still very difficult for the owner of anything but a truly "famous" mark to successfully challenge a bad faith filing. Good news included increased penalties for counterfeiting especially involving pharmaceuticals, and the expansion of liability to accessories to the main infringement. The talk was full of useful tips on issues such as multiclass filings.

After this look East the focus moved back to Europe with Chris McLeod on the topic of European practice on likelihood of confusion, aptly sub-titled "More or less confusion for pharmaceutical trade marks?". Especially for the benefit of non-Europeans he described the Convergence process in general and the other study areas being tackled to try and remove inconsistencies, before homing in on Convergence Paper 5. This aims to address the different approaches of OHIM and the national offices on assessing weak components in the likelihood of confusion comparison, which has resulted in different interpretations and outcomes. Chris dealt specifically with pharmaceutical trade marks which contained descriptive or non-distinctive elements, and the weight to be accorded to these in the comparison of marks of low distinctiveness, for likelihood of confusion. This is always best illustrated by concrete examples and audience participation was called for, a good move at the end of an intensive day, as we ran through recent rulings on pharmaceutical marks found to be confusing or not, but with no clear pattern emerging. Not surprisingly then that, while widely endorsed, CP5 is still a work in progress after nearly eight years, and the common approach it reaches for is yet to be achieved.

Chris McLeod

After this very full day and in perfect weather the delegates were able to enjoy a guided pre-dinner stroll through "old" Warsaw before ending up at The Kubicki Arcades beneath the Royal Castle, where traditional Polish food, music and dancing were on the menu.

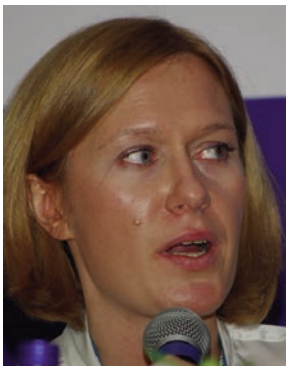
The second day of the conference commenced with the very topical (in light of the recent VW emissions debacle and the FIFA scandal) subject of Reputation and Crisis Management which, we learned, requires a seamless partnership between media and legal so it made sense that the subject was approached in this way. Richard Meredith spoke on the PR dimension and Tim Pinto on the legal dimension. Richard, with the aid of excellent slides, as could be expected from a communications consultant, took us rapidly through the issues. He pointed out that companies, unlike government, are not having to deal with constant crises, and so are not always set up to do so and, when the need arises, there must be an action plan and ideally a CEO who is groomed as a good communicator. He analyzed what the reputation of a business depends on and then the world within which we find ourselves where media reporting is constant and issues move very fast, where companies are less trusted and more questioned than before, where thanks to technology, news is no longer in the hands of the traditional media, and where consumers of media now have short attention spans. In the end, the message was that the court of public opinion is more important than the court of law and that it is less about the issue itself than how it is handled. All of this was peppered with real life examples so the subject was really brought alive for us.

Richard Meredith

This was complimented by Tim Pinto's clear exposition of the law which seldom, if ever, involves the comfort zone of trade mark law, but instead defamation and the various defences to it (a mine field), and the requirement of "serious financial loss" under English law or "serious harm to reputation" for an individual. He touched on the role of legal throughout reputation management, from being included in the crisis team, to the post publication phase, and also, the options available at each stage and the differences between the European situation and the position in the USA where the right to free speech is very powerful. It was interesting how digital media, and particularly social media, have now become the main arena for harm to reputation, and the means of managing it, including take downs, apologies and corrections, and where traditional means such as threatening letters of demand, will only be posted online and backfire on the rights holder.

Tim Pinto

After this, we moved back to the Polish legal system with a talk by Karolina Marciniszyn on the court system and preliminary injunctions in infringement



Karolina Marciniszyn

situations. Karolina provided a useful introduction on the enforcement of IP rights through administrative, civil and criminal organs before going into more detail on preliminary injunctions: who can apply, the court which has jurisdiction, the time lines, the need for an "economic interest" in Poland and the like. A lot of practical advice was given about letters of demand, security for costs and enforcement generally.

Sophie Molle

The topic of counterfeiting is always a "catchy" one and this time Sophie Molle of the World Customs Organisation (WCO) approached it from the perspective of "Customs Armoury in the fight against counterfeits". Her passion for her work was evident as she highlighted the important role played by WCO's members in 180 countries, with 70% of all seizures of counterfeits in this $1.7 trillion "industry" being made by customs officials. Her focus was on developing countries where IP legislation is often deficient, where customs work is all about revenue collection rather than stopping counterfeits, and where officers are under resourced and corruption is prevalent. She took us through Operation Biyela conducted in 23 ports in Africa, where a significant number of pharmaceutical counterfeits were intercepted. The main purpose of the talk was to promote the new IPM mobile tool which connects rights holders and customs to provide real time communication, operational information, news alerts and ongoing training. The value of immediate communication with officials on the ground, especially in countries where mobile communication is the only viable option, was clear to see. She concluded with a live demonstration of the IPM app which was most impressive. After lunch came the always engaging subject of "The trade mark significance of colour for pharmaceuticals", which provoked the most questions and comments of the conference. Adrian Smith gave a really excellent talk and concluded that colours communicate and in practice have branding significance. But they remain difficult to protect as trade marks with apparently only 271 CTM registrations for colour marks, and only 20 of these in class 5 and 6 in class 10. Reference was made to the work of the Neuro-Psychologist Christian Scheier showing that colours, more than words or letters, are strong and important "diagnostic cues" for consumers. Adrian also gave a useful summary of European jurisprudence from the Libertel case to more recent CTM cases including some on pharmaceuticals. He also touched on the Specsavers case and CP4 which suggest that registration for a black and white mark does not afford protection as wide as previously understood, and that brand owners need to seriously consider registration in colour as well. Inconsistencies make it quite difficult to furnish advice in this area but Adrian urged brand owners to keep pushing the boundaries, as there is certainly a place for these marks.

Adrian Smith

Sergio Napolitano

PTMG Conferences always cover more than simply trade mark law questions but also look at industry issues, and this year's contribution was by Sergio Napolitano, director of Legal Affairs at the European Generic and Biosimilar Medicines Association (EGA) with his talk on "The generics environment today". After making the point that generics constitute 55% of the market in EU, Sergio went on to explain the vision of EGA (to provide sustainable access to quality medicines for all patients in Europe), its history and activities and where it fits into the international landscape through its co-operation with WHO and anti-counterfeit organisations. He gave interesting insights into the economics of generics, how Europe's ageing population provides a major challenge which requires the balancing of public health and intellectual property interests. He profiled the increasing market share of generics in the treatment of common diseases such as hypertension and diabetes and showed how generics, biosimilar and value added medicines contribute by increasing patient choice and lowering cost, so much so that, in the field of chronic diseases, patient access doubles while spending stays the same.

John Ward

The final slot of the conference was appropriately less academic as John Ward of Alcon gave us a personal insight and humorous account of the word of Alcon and his role in it. He noted how even the narrow field of ophthalmic care provides a diverse, and hence stimulating and rewarding, field of practice involving developing names in house and managing a portfolio of around 25,000 marks. In the course of this, and with eye catching slides, he educated us on ophthalmics and medicines and devices in this field, and also trends he has noticed such as the increased filings in class 10 for medical devices, and the role that "big data" and mobile technology are now playing.

In the closing exchange, Sue Evans thanked the Chairman on behalf of the delegates and coined the phrase "the magic of Frank Meixner". A few hours later we were whisked away to the National Opera for a splendid dinner to round things off at which we were royally entertained by opera favourites performed in our midst by local opera stars. Thank you to the PTMG organizers for another successful and memorable conference.

Trans-Pacific Partnership Agreement: What does it mean for Trade marks?

Bridie Egan, King & Wood Mallesons

Background

After years of negotiations and much fanfare, the final text of the Trans-Pacific Partnership Agreement (TPP) was signed on 4 October 2015 by 12 countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore, the United States and Vietnam.

As you are no doubt aware, the TPP is a blockbuster free trade agreement which intends to drive growth across the 12 economies and establish a trade and investment environment which is more predictable and transparent. The TPP is not yet a done deal – each of the 12 countries need to sign and ratify the final text pursuant to their national procedures. The US is the main concern, with many commentators expressing doubt that the US Congress will give the final text the green light.

The Intellectual Property chapter contains provisions which are largely reflective of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) but which can be seen to extend rights in certain areas. Pharma brand owners will likely welcome the changes in this regard. Most signatory countries will not need to make any noteworthy changes to their trade mark regime in order to comply with the provisions.

Snapshot of the trade mark provisions

- **No country may require that a sign be visually perceptible.** The TPP extends the scope of signs that are registrable as trade marks beyond the scope set by TRIPs. This provision specifically states that each country shall make best efforts to register scent marks, but also that countries may require a concise and accurate description and/or a graphical representation.
- **Collective and certification marks must be protectable as trade marks.** Collective and certification marks are not defined under the TPP however the meaning of each is well known.
- **Trade mark Owners' exclusive rights extend to 'related' goods or services**. This provision extends the scope of protection under TRIPs by replacing 'identical or similar goods or services' with 'related goods or services'. The provision grants owners the right to prevent third parties from using identical or similar signs in respect of related goods or services.
- **Well-known trade marks.** The TPP specifically states that registration is not a pre-requisite for determining that a trade mark is well-known, otherwise the provisions in respect of well-known trade marks mirror those under TRIPs.
- **Remedies.** The TPP requires countries to provide civil remedies and border protection mechanisms for trade mark infringement by provisions which are broadly in line with the TRIPs Agreement. However, the TPP arguably goes one step further in respect of the scope of activities for which criminal procedures and penalties are required. The TPP requires countries to provide criminal procedures and penalties for wilful trade mark counterfeiting on a commercial scale, which is reflective of the requirements under TRIPs. However, the TPP goes on to provide an expansive definition of commercial scale which includes: acts carried out for commercial advantage or financial gain and significant acts, not carried out for commercial or financial gain, that have a substantial prejudicial impact on the rights owner in the marketplace.

BIO is a descriptive component, but not fatally so, according to the General Court

Chris McLeod, Elkington and Fife LLP, London

In case T-262/14 Bionecs GmbH v OHIM (26 November 2015), the General Court has considered the descriptiveness of the term BIO and its effect on similarity between marks.

In February 2012, Bionecs GmbH applied to register BIONECS as a CTM for goods in international class 5. In April 2012, Fidia farmaceutici SpA opposed the application on the basis of an earlier International Registration of BIONECT designating Austria, the Czech Republic and Poland and covering "pharmaceutical preparations used in tissue repair".

In April 2014, OHIM's Opposition Division upheld the opposition because the goods were identical or similar, the BIO element was weak, the marks were visually and phonetically similar because of the common element BIONEC and conceptually similar to some extent because part of the relevant public, i.e., medical professionals, would understand the meaning of BIO.

In June 2013, Bionecs appealed against the decision and in February 2014 OHIM's Fourth Board of Appeal dismissed the appeal, essentially agreeing with the Opposition Division, adding that, despite the descriptiveness of BIO meaning that the earlier mark may have a below average distinctive character, the near identity of the marks and the similarity between the goods meant that there was a likelihood of confusion.

The General Court judgment centred on the following customary issues:

1. The relevant public – which would have a heightened level of attention when choosing the goods in question.
2. The goods – which were similar because they were of the same nature, had the same purpose and had partially identical distribution channels, including pharmacies.
3. The marks – unsurprisingly, the Court held the marks to be visually and phonetically highly similar, and, given the descriptiveness of BIO, that conceptual similarity would play a limited role in the assessment of the likelihood of confusion.

The Court therefore upheld the Board of Appeal's decision, concluding that, despite the high level of attention of the relevant public, and the descriptiveness of BIO, the other similarities established a likelihood of confusion between the marks.

This judgment is in line with OHIM's CP5, the Common Practice on "Relative Grounds – Likelihood of Confusion (Impact of non-distinctive/weak components)" because BIO was not the only common element between the marks. The overall visual and phonetic similarities were sufficient for there to be a likelihood of confusion.

PROFILE: Wolfgang Feiler

During university, I spent a year in Ivory Coast, working in a national park. After finishing university and finalising my thesis, I started working in Regulatory Affairs at Byk Gulden in Konstanz Germany, became Head International Regulatory Affairs and then, after 10 years I took over the Trade Mark Department of Byk Gulden in 1996. After the name change to Altana Pharma, Nycomed took over the company in 2006 and I became Head Trade Marks at Nycomed. In 2012 Nycomed was sold to Takeda, my office was moved from Konstanz to Zurich and my current position is Global Head Trade Marks Takeda. I have been a PTMG Committee member since 2013.

Where were you brought up and educated?

In Coburg Germany which is in the northern part of Bavaria.

How did you become involved in trade marks?

By chance. After some time in Regulatory Affairs at Byk Gulden I was asked by the company to take over the Trade Mark Department.

What would you have done if you hadn't become involved in intellectual property?

Maybe still Regulatory Affairs, or if I would not have started in the Pharmaceutical Industry, I would be a Biologist at University or Research Institute.

Which three words would you use to describe yourself?

Open minded, curious, reliable.

What was (were) your best subject(s) at school?

Biology, Chemistry.

What do you do at weekends?

Spending time with family and good friends, cooking, gardening, fish keeping, excursions in the surrounding area and in summer swimming in the lake.

What's the best thing about your job?

Managing a global team with members from different cultures and working with people from different departments all over the world is interesting, challenging, requires tolerance and keeps you learning.

What did you want to be as a child?

Biologist in an African National Park or Marine biologist.

What does all your money get spent on?

Vacation and travelling with my wife.

What do you dream of?

To go on an around the world trip for 3 – 4 months.

If you weren't completing this interview, what would you be doing right now?

Preparing the next business trip tomorrow.

What is the best age to be?

Always the age you are currently in. This is my experience until now.

Which music recording would you take with you to a desert island?

All from Pink Floyd

How do you relax?

Spending time with my family, visiting friends, work out, reading, gardening.

Which sport do you play and/or enjoy?

Swimming, snorkelling and sometimes scuba diving.

What is your favourite drink?

A good red wine.

What is your favourite holiday destination?

Thailand, Hawaii, and maybe other places I have not yet seen.

Where do you see yourself in 10 years' time?

Retired, hopefully healthy, travelling and spending half of the year (winter) in warm countries.

Which piece of advice would you give a visitor to the area in which you live?

Take your time, enjoy the lake and the beautiful landscape, the food and wine.

What is your favourite building / piece of architecture and why?

The Taj Mahal, because it is unique in its beauty and harmony and has a mystic touch especially if you look at it in the early morning.

What's your favourite mode of transport and why?

Flying, because it allows you to see all places in the world you like to see and which otherwise you would never reach in a reasonable time.

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