Law Lore & Practice

PTMG Pharmaceutical Trade Marks Group

Dec 2019

Editorial: On Friendship

Christmas is the time for sending greetings cards to friends around the globe, both old-fashioned ones with envelopes and more eco-friendly e-cards. So what is friendship and why do we continue this tradition ?

Facebook® has brought its own brand of friendship to the forefront of our lives where a click can be enough to feel that someone is responding to our thoughts and mood. Explaining to my teenage son that in order to meet up with a long-distance friend when I was his age, we had to plan ahead, send a letter, wait for the reply and hope that our plans would not have changed in the meantime was met with a look that made me feel I had fallen in from the Ice Age. And yet good friendship is built on patience, the understanding of the needs of others and a resolve that distance will not adversely affect the relationship.

The French 16th century writer Michel de Montaigne wrote 'I love a friendship that flatters itself in the sharpness and vigour of its communications' and I am tempted to tweet this quote to all NATO leaders as they prepare to celebrate the 70th anniversary of the organisation. International organisations need to evolve as events and circumstances put such friendship to the test of time. Thankfully, PTMG has managed such an evolution over 50 years and it is heart-warming to review past editions of LL&P and note how many times Profile candidates refer to the importance of friendship among the members of our Group.

Here's hoping that friendship is at the heart of your festive season!

Vanessa

US Update

by Jonathan S. Jennings Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP

Seeking relief by summary judgment before the Trademark Trial and Appeal Board (TTAB) of the United States Patent and Trademark Office is difficult in the best case, and even more so when the issues are not clear-cut. The case of Allergan, Inc. v Gems Style Inc., Opp. No. 91241842, 2019 WL 5294892 (TTAB Oct. 17, 2019)(non-precedential), demonstrates this point.

Allergan, owner of the registered BOTOX mark for its well-known pharmaceutical preparations, moved for partial summary judgment on likelihood of confusion grounds against Gems Style's use-based application to register GS GEMS STYLE HAIR BOTOX for a variety of non-medicated hair care treatments - with 'style hair botox' disclaimed. The TTAB noted that 'summary judgment is an appropriate method of disposing of cases in which there is no genuine dispute as to any material fact, thus allowing the case to be resolved as a matter of law.' (citing Fed. R. Civ. P. 56(a)). Gems Style had admitted in the pleadings that BOTOX was a famous mark. Consequently, the TTAB noted that Allergan's BOTOX mark 'is entitled to a broad scope of protection, and the admitted fame of the mark is a dominant consideration in balancing the DuPont factors.'

To establish likelihood of confusion under the standard DuPont factors, Allergan asserted consumers would perceive the goods as coming from the same or related sources. To bolster its position, Allergan relied on the prosecution history of an earlier unsuccessful application by Gems Style to register BOTOX standing alone, in which the Examining Attorney found that the parties' goods may be perceived as emanating from a single source. The TTAB rejected this evidence, remarking that a prior Examining Attorney's decision was not binding. The TTAB did not even refer to Gems Style's earlier application to register BOTOX on its own as suggesting a bad-faith intent to target Allergan's mark. Gems Style offered no clear explanation as to why it needed to reference BOTOX in the first place, or the rationale for its disclaimer of 'style hair botox'.

Allergan also offered evidence of some overlap in trade channels, as approximately 20 medical spas purportedly offer both hair-related goods and services and BOTOX treatments. Gems Style responded that Allergan did not show that enough medical spas offered both types of goods, that Internet evidence showed Allergan's goods to be 'expensive and purchased by sophisticated Certified Physicians at Certified Aesthetic Clinics,' and that the visual differences between the marks were significant.

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Words from the Chair

A Christmas Carol: Christmas is around the corner. Somewhere up north Santa Claus is pretty busy wrapping all the gifts and is preparing for his road trip during which he will deliver all the Xmas presents. This year Santa Claus is extremely proud since his traditional means of transportation (the reindeers and a sleigh) were recently endorsed as 'environment friendly' by Greta Thunberg and her friends.....

On the other hand drafting the list of recipients of Xmas presents is extremely challenging this year. The current tenant of the White House has called Santa Claus repeatedly on a special direct line called Twitter desperately trying to convince him that he is a good guy deserving praise and gifts. However, there is a maleficent lady Nancy who has developed an evil plan together with her party fellows: They try to show the public (and Santa Claus) in endless public hearings that the current tenant of the White House does not deserve any gifts at all, but on the contrary should be punished.

But this is by far not the only problem for Santa. Somewhere hidden in the dark German forests rests a Sleeping Beauty called Angie in her crystal palace. She has been reigning her little land for more than 14 years and by a magic spell is now caught in her palace and has lost all her energy. She is now afraid to be forgotten by everyone. That is why she at least wants to ensure that Santa Claus will pay her a visit with massive media coverage. But Santa Claus keeps ignoring her phone calls and messages since he is not so sure that in her enchanted state of paralysis she deserves his visit and presents.

Meanwhile back in our PTMG universe everything looks pretty nice and Santa Claus has no doubt the PTMG members deserve his Xmas gifts. We have had two wonderful conferences this year. We started in Italy in March where we stayed in the hills around Rome with a magnificent view on the Eternal City. And only in October did we meet in rainy Berlin for our Autumn Conference. Both conferences were big successes in terms of content of presentations and venues. I am confident that the 100th conference in London in March will be another success story. I am looking forward to seeing many of you at this rather landmark event.

Until then I wish you a peaceful, healthy and happy festive season with family and friends!

Frank Meixner

Members News

New Members

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

Nicoletta Epaminonda from Lellos P. Demetriades Law Office LLC, Nicosia, Cyprus Nicoletta@ldlaw.com.cy

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Members News continued

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Moves and Mergers

Nils Wolfgang Bings has left DWF Germany to join PwC Legal AG in Düsseldorf, Germany. Nils can be contacted at nils.wolfgang.bings@pwc.com

Sarah Power has left William Fry to join Pinsent Masons in Dublin, Ireland. Sarah can be contacted at sarah.power@pinsentmasons.com

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

US Update continued

The TTAB perfunctorily rejected Allergan's summary judgment motion, finding that factual questions existed as to the similarity 'of the parties' marks and the conditions under which and buyers to whom sales are made, i.e., normal care v careful, sophisticated purchasing.' The TTAB acknowledged that 'adispute as to a material fact is genuine only if a reasonable fact finder viewing the entire record could resolve the disputed matter in favour of the non-movant.' With this standard in mind, the TTAB seemed too willing to identify the similarity of marks as a genuine issue of disputed fact given Gems Style's admission of the fame of BOTOX, and the seeming lack of any other facts necessary for the TTAB to rule on the issue. Similarly, the conditions under which the products were sold would seem fairly clear, given the types of products at issue here. A silent factor in denying summary judgment here may have been that Gems Style was not represented by counsel, and the TTAB tends to be somewhat lenient towards parties representing themselves *pro se.*

With the denial of summary judgment, the case will proceed to the full trial phase. Briefing summary judgment motions adds expense to the opposition procedure, and whether to file them is a case-by-case decision. Theoretically, they should be granted when the facts are very straight-forward and essentially undisputed in the view of a reasonable fact finder. However, the TTAB historically has shown some reluctance to grant summary judgment in any event, but especially when the factual issues are more complex.

100th PTMG Conference

The Savoy London March 16th- 17th 2020

PTMG 99th Conference report, Berlin
Pharmaceutical Trade Marks @ Checkpoint Charlie

Rachel Havard, AA Thornton, United Kingdom

Chair Frank Meixner opened the conference at Berlin's InterContinental Hotel, welcoming 70 new attendees, joining the conference group of 400. Respects were paid in a minute's silence for PTMG's dear friend and Treasurer, Sean Brosnan who passed away in August. He will be missed by all Committee and Board members, and the membership as a whole, with his wife Lesley, children and grandchildren in everyone's thoughts.

In the first session of the conference, Michael Hawkins of Noerr looked at trends in international cases over the last 6-9 months, including genuine use, bad faith, nutraceuticals, the power of a prefix in likelihood of confusion, hashtag trade marks, reputed trade marks and a preview of new cases coming up. Michael talked us through the Viridis case, where clinical trials for BOSWELAN were deemed internal use only and there were no proper reasons for non-use, such that a non-use attack succeeded. Cases of BIG MAC and ADIDAS respectively showed the difficulties of evidencing genuine use satisfactorily, even for high profile brands where use of the mark might be perceived as a given. In the ADIDAS case, 12,000 pages of evidence were deemed insufficient. Bad faith findings are also on the rise, with the MONOPOLY decision being a notable example. That there might have been additional motives, aside from that of avoiding the need to prove use of the mark, was not enough to make re-filing strategies acceptable, nor was the fact that this was a common strategy amongst trade mark owners.

Michael Hawkins

This led neatly into the Founder's Lecture, in which Tom Hannah of GSK reviewed the issues of the SKY v SKYKICK case, albeit still awaiting the Advocate General's opinion. Tom looked at how SKYKICK raises questions of required clarity and precision in specifications of goods. Sky's specifications ranged from 4000 to 8000 words and included such diverse items as Christmas trees, whips and bulletproof jackets, but of more relevance is whether 'computer software' per se is too broad as a specification term, and whether a registration found to be in bad faith for certain goods/services should be wholly invalid or just partially so. If only some goods/services would be lost, this could be an incentive for more bad faith filings, but there would be serious repercussions for rights holders if they could lose their rights entirely. Whilst case law suggests that 'pharmaceutical preparations and substances' is an acceptable term, this too could change in future. Just as the US requires specification of the nature or purpose of pharmaceutical preparations, we might well be moving the same way in the EU. This evolving area of case law will certainly present challenges for pharmaceutical trade marks with long lead times.

Tom Hannah

Manje Epping and Wiebke Baars of Taylor Wessing then presented an update on regulatory status, health claims and trade marks in the area of botanicals, giving examples of how many of the same umbrella brands sell botanicals as foods or as medicinal products in close proximity in the marketplace, including in pharmacies, with very similar packaging and claims used. They gave some insight into delimitation between foods and medicinal products in the EU; although it should be clear cut, we learned how, really, it is not. EU member states have quite different assessments from country to country and so there is no real harmonisation when dealing with botanicals in foods versus medicinal products. This complicates labelling for across the EU territory, and with differences in marketing botanicals as foodstuffs compared with pharmaceuticals. Free movement of goods is affected by the lack of harmonisation and insufficient mechanisms of mutual recognition, whilst areas such as Health Claims Regulation for botanicals remain incomplete.

Manje Epping and Wiebke Baars

Next stop was North America, from where we time travelled with Scott Joliffe of Gowling WLG through international trade agreements, beginning with the Paris and Berne Conventions, and first attempts to harmonise IP over 100 years ago, to discussion of the latest North American Agreement. Whilst NAFTA and TRIPS were significant, Scott looked at other trade agreements negotiated over the years. Although the Trump administration has taken the stance that international treaties harm the US people, it did sign the USMCA free trade agreement for US, Mexico and Canada, but this has yet to be ratified. For Canada, 2019 has seen significant changes to Canadian trade mark law with, inter alia, the removal of use as a prerequisite to registration, Madrid Protocol implementation and adoption of the Nice classification. Scott felt that International treaties have for 30 years done a good job of harmonising IP and, whether the latest agreement is ratified or not, North America is still in a good place.

Scott Joliffe

After a long, lazy lunch of many courses, we re-assembled to hear from Tara Aaron of Aaron Sanders PLLC on the subject of data privacy. Tara began with some sobering figures from a survey of UK Pharma IT decision makers, which revealed admissions from 60% of those questioned, that their company had lost important data. Worse still, IT decision makers had admitted to not reporting breaches. As GDPR has, from 2018, provided for data protection for the EU, the California Consumer Protection Act will come into

Tara Aaaron

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efect from the beginning of 2020, and consumer protection legislation is soon to come online in Japan, Korea, Brazil, Nigeria, Australia and Thailand. Privacy raises important questions now in IP investigations, especially in cases of cybersquatting. As 'baddies have rights too', GDPR is leading to challenges. In particular, where WHOIS information was often used in IP investigations, these are now hampered by privacy shields and heavy redaction of the WHOIS database. Tara provided some recommendations for pharma trade mark attorneys, including the need to work with privacy departments, to remember the broad definitions of personal information, to carefully consider legitimate interests and how we are sharing information.

André Maré

André Maré of ENSAfrca then spoke about managing pharmaceutical trade mark portfolios in Africa. With more focus in African countries upon facilities for healthcare and access to medicine, has come increasing scope for pharmaceutical trade mark activity. André observed how, in Africa, the commercial origin of pharmaceutical brands has links to the history of colonisation; for example, UK businesses tend to enter through South Africa. André touched upon national as well as regional protection systems ARIPO and OAPI, and considered the Madrid Protocol route. There is the need for caution if looking to use the Madrid Protocol for African countries; for enforcement, there may be little benefit, as local ratification of agreements has not been completed, but there may be some benefit if registering for regulatory purposes, and little or no objections will be raised to Madrid designations. Africa's first to file trade mark systems make trade mark squatting an issue, especially by agents and distributors. Whilst enforcement is on the increase, there are long timeframes and the forms tend to be paper based and bureaucratic. Other general words of caution were that low competition amongst African trade mark attorneys leads to higher costs, and extra care should be taken when selecting local attorneys.

The last presentation of the day was from Baris Kalayci of Gun + Partners on the subject of fighting counterfeits and diverted medicines in and from Turkey. Smuggling and repackaging of pharmaceuticals in Turkey is apparently prolific, but Turkey is taking significant steps to address the problem, as a signatory of the MEDICRIME Treaty and also with a number of related domestic laws and regulations. There are criminal sanctions for producing and selling fake medicines, including custodial sentences for trade mark infringement. Systems have also been introduced for medicine tracking, requiring that serial numbers be added to products. As the Social Security Institution buys most medicines in Turkey, we were told that pharmacists are getting involved in diverting medicines, with drugs often over ordered so that the patient gets what they need and the rest is sold on. Customs IP applications are very effective and Customs are given training on what to look for. For goods imported into other countries, investigations in Turkey are worth considering to see if those goods are being exported from Turkey.

Baris Kalayci

Our day drew to a close with a relaxed and charming evening at Berlin's Arminius Market Hall. Jolly music played as we entered the historic market hall to be greeted by long candlelit tables between traditional stalls, subtle coloured lighting casting shadows on the high ceiling, and a feast of everything from schnitzel and warm fried potato salad, fish and chips and sushi to homemade ice cream and delicious cakes. Not to mention the wonderful selection of crisp local beers and wines. This was a great way to spend the evening of Reunification Day in Germany, with animated chatter amongst friends and colleagues from around the globe.

What is the best way to follow a late night of merry-making? Two back-to-back sessions on IP tax strategies the next morning, of course! Credit to all, in that the lecture hall was crowded, and Oliver Wehnert of Ernst & Young GmbH expressed his pleasure at the sight of the 'quite full room' before him. As the intangible nature of IP makes it mobile and easy to move from one country to another, Oliver talked of the resulting challenges in valuing IP. He explained that identifying registered rights is the easy part, but a registration itself has no value for tax purposes, and the IP needs to be exploited for value to be added. Whilst the legal owner used to be the one entitled to residual profit, now it is much more vague, with legal ownership deserving only a funding return if nothing else is attached to add value, and it is the functions to enhance value that deserve residual profit. This leads to the need to look at who is involved in development and exploitation and where in the business or group structure they sit. Many documentation requirements therefore arise for multinational companies and there is the need for granular identification of how decisions are taken. In the event that double taxation occurs, this can be expensive and complicated to cancel out.

Oliver Wehnert

Alexander Loh of Merck KGaA followed on from Oliver's presentation to discuss his company's approach to IP tax strategies, i.e., to pay their fair share of taxes in the countries where they are active but they (quite rightly) do not want to pay twice. Alexander reiterated that, in pharma, it is a difficult question as to where profit is to be split, with long development cycles, but also projects may not be successful later on. Consideration should be given to a transfer of IP as each stage is reached. High values can be built up in IP and high capital gain results in high taxes, suggesting that it is better to transfer from the entrepreneur, then to the manufacturer, and then to local distribution companies. Alexander also discussed functions for attracting profits, reinforcing that where people are located and who makes the strategic decisions is a key question. Marketing intangibles and digital business are likely to make this difficult, especially as digital business has no physical presence. Potential consumer contributions to adding of value to IP in a specific country, e.g. through social media, could bring even greater challenges. Admiration was expressed here for the 'innovative spirit' of the tax authorities.

Alexander Loh

Next, Ling Zhao of CCPIT spoke about protection of pharma brands in China, with focus on well-known trade marks and bad faith applications, taking us through the recent changes to Chinese legislation. Much evidence is apparently needed to prove well known status, and there can be reluctance by Chinese examiners to

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review it all, such that they may prefer to uphold other grounds. However, well known marks can enjoy protection extended to dissimilar goods. The main categories of bad faith applications include copies and imitations of famous trade marks and filing without intent to use, often apparent where several thousand applications are filed by one individual applicant. Bad faith decisions are gaining traction, leading to a more positive outlook, with Chinese trade mark filings slowing down, and less private applicants. Meanwhile, Class 5 remains one of the top favoured classes for foreign applicants in China. It is good news that the success rate of oppositions is improving, especially with the crack down on bad faith applications, but Ling strongly recommends registration of trade marks as early as possible in China, and forward planning.

Ling Zhao

Our focus remained upon China for a presentation from Aaron Hurvitz of Kangxin Partners, on linguistics and the regulatory regime. Aaron spoke of the huge problem of trade mark squatting in the territory, with first filing of trade marks having become an entrepreneurial business. Chinese applicants will travel the world and look for lower profile brands for which to file trade mark applications, and they will even make token use of the marks to defend against non-use challenge. There is a clear danger in not searching in China before proceeding there, as obstacles will be run into quickly. Aaron recommended registration of trade marks in English, Chinese and transliterations simultaneously, and to cover necessary classes and subclasses, to prevent others filling the gaps. Although parallel imports are not a real concern, as pharma is very well regulated by China's Food & Drug Administration and any repackaging requires a trade mark certificate and a licence from the trade mark rights holder, counterfeit pharmaceutical manufacture is a widespread problem across the whole territory, with very proficient organised crime groups behind it. The Chinese government is making efforts to educate the public and tackle the problem organically, and this is something pharma companies can assist with, especially to help recognition of counterfeits.

Aaron Hurvitz

After a tasty buffet lunch and a good opportunity for networking, we took a step away from pharma and trade marks, to hear from Florian Drücke of the German Music Industry Federation, on the subject of the new Copyright Directive and securing a level playing field in the EU. How people listen to their music has evolved significantly from the Sony Walkman through to music streaming, in just a short space of time. Florian explained how, with new platforms, it is becoming increasingly difficult to enforce copyright, but also how implementation of the new Directive is likely to assist, with responsibility for online content-sharing service providers for licensing content, transparency for consumers and non-commercial consumer uploads covered by licences. In relatively recent history, cease and desist approaches were directed at general consumers downloading music. This did result in negative PR in music copyright owners looking to police what is theirs, but in an evolving industry with different and ever changing ways of listening to music, it is getting harder and harder for the creator to benefit. Clearer digital rights should mean fewer worries for citizens and, indeed, a more level playing field.

Florian Drücke

Then to Brazil, and Gustavo Piva de Andrade of Danneman Siemsen discussed software issues in the pharma industry, including the evolving area of digital health. Gustavo observed how software is required in such a diverse range of areas, from the logistics of manufacture to delivery with a complex chain of events, to testing and diagnostics with software and algorithms increasingly replacing doctors, to sensors which transfer biological responses into electric signals, plus health apps and AI solutions. Gustavo talked us through the evolution of law since the 1970s when software and hardware were sold together, through the 1980s when copyright protection became possible in software, through to TRIPS and Brazilian copyright legislation in the 1990s under which computer programs were defined as protected in the same way as literary works, with source code and programming essentially a text, as well as copyright in a graphic interface if it is original and the overall appearance is not dictated by function. Brazil permits copyright registration which will prove ownership plus date of creation and help with obtaining preliminary injunctions. Patients' interests are a key consideration to the courts and there is well developed Brazilian law in the software dispute area.

Gustavo Piva de Andrade

Rachel Cockburn Buhl of Ferring presented the final topic of the conference, 'The in-house trade mark function', sharing with us how she has needed to go way beyond portfolio management to deal with numerous challenges, including long lead times, multiple brand candidates for global clearance, insufficient communication between regulatory and legal teams and the high rejection rate of trade marks for marketing authorisations. Rachel had found PTMG to be a huge source of support, and everyone loved her 'I heart PTMG' slide, leading to much covert photography of the slide for their marketing tweets! In pharma, patents are often the focus … but patents expire. The in-house role is to secure and manage assets and to persuade management. Stakeholders may not think of trade marks first, hence the need to embed them in the heart of the business. We were also given some useful reminders of how outside counsel can help, in assisting portfolio management as much as possible, remembering regulatory processes, launch processes and lead times, and being mindful of internal challenges and constraints on budget.

Rachel Cockburn Buhl

With the end of another excellent educational programme, we dressed in our finery for the final evening's Gala Dinner at the beautiful, baroque Charlottenburg Palace. Armed with umbrellas, begged and borrowed, we braved the rain, to be rewarded with more candlelight, music, delicious food and good company. We waited with bated breath to hear where we will go for the Autumn 2020 conference – Amsterdam; but first, London in the Spring, so keep those umbrellas handy!

International Update

EUROPEAN UNION

Dr. Thomas Tresper, Wegnerpartner Wegner & Partner mbB

A comma can kill, it is said, or save a life. In the matter of life and death of an opposition, proof of use for some of the earlier marks depended on the General Court's interpretation of the specification of goods – and the importance of punctuation.

Background

AxiCorp had obtained an international registration designating the EU for the word mark AXICORP ALLIANCE and covering the goods 'pharmaceutical preparations' in Class 5, among other goods and services. Alliance Pharmaceuticals filed an opposition based on, inter alia, likelihood of confusion with the earlier EUTM registration for ALLIANCE, covering the following goods in Class 5: 'Pharmaceutical preparations but not including infants' and invalids' foods and chemical preparations for pharmaceutical purposes.' The EUIPO rejected the opposition on the grounds of lack of evidence of genuine use. The Board of Appeal concluded that the Opposition Division had correctly interpreted the specification strictly, as excluding chemical preparations for pharmaceutical purposes. Even if it were to be considered that the specification included certain pharmaceuticals of herbal origin, the applicant had not shown that the mark ALLIANCE had been used for such pharmaceuticals, given that the evidence of use submitted referred exclusively to synthetic components.

Decision

The General Court annuls the decision in so far as the Board of Appeal dismissed the appeal for lack of evidence of genuine use. The Court states that the wording of the specification in English, the language in which the earlier EUTM was filed, might give rise to two possible literal interpretations: In the absence of punctuation or additional information, one possible literal meaning of the specification suggested that both 'infants' and invalids' foods' and 'chemical preparations for pharmaceutical purposes' were covered by the restriction 'but not including'. However, another possible literal interpretation did not exclude 'chemical preparations for pharmaceutical purposes' from the specification. The Court finds that, in the context of determining the extent of the protection of an earlier EUTM and assessing the evidence of genuine use of that mark, if two possible literal interpretations of the specification of that mark exist, but one of them would lead to an absurd result as regards the extent of the protection of the mark, such difficulty must be resolved by opting for the most plausible and predictable interpretation of that specification. The Court holds that it would be absurd to adopt an interpretation of the specification which would have the effect of excluding all of the applicant's goods, leaving only goods in respect of which it has not sought trade mark protection as goods protected by the earlier EUTM. In view of these considerations, the EUIPO had incorrectly interpreted the specification.

Comment

Can punctuation or its absence kill? Sir Roger Casement claimed that he was being hanged on a comma, but that may be a myth. In the famous example, 'Let's eat Grandma', it would be absurd indeed to assume that a comma or rather its absence marked the difference between good children and cannibals. And yet, the sentence has often been used as a lesson on how to be clear and precise. Clarity and precision is required of a trade mark applicant when identifying the goods and services for which the protection of the mark is sought, to enable others to determine the extent of the protection on that basis alone. That burden was on the trade mark applicant even before the current Article 33(2) EUTMR entered into force. In the case decided by the General Court, one might question whether it would lead to a nonsensical result if 'chemical preparations for pharmaceutical purposes' were meant to be excluded from the goods 'pharmaceutical preparations', and whether the authorities or third parties are able to establish the trade mark proprietor's intention on the sole basis of the identification of the goods.

INDIA

Radha Khera & Samta Mehra, Remfry & Sagar

In October 2019, the High Court of Delhi in the case of Glaxo SmithKline Pharmaceuticals Ltd. and Ors. v Naval Kishore Goyal and Ors. once again adjudicated on 'deceptive similarity of trademarks'.

The marks in question were ZENTEL and FENTEL- both for pharmaceutical preparations. Glaxo Smithkline Pharmaceuticals Ltd. (GSK), together and through their subsidiaries and affiliates worldwide is engaged in the business of manufacturing and marketing a wide range of pharmaceutical, medicinal and health care products. ZENTEL is one of its brands of medicine for de-worming purposes in human beings and stands registered in India since 14 May 1980 and has been used in India since 1986.

In March 2003, on learning of a similar product FENTEL, being manufactured and sold by the Defendants for identical goods, GSK filed a suit against them. The suit was first listed in July 2003 wherein the Court granted ex-parte injunction in favour of GSK and restrained the defendants from manufacturing, selling or offering for sale pharmaceutical preparations under the trade mark FENTEL or any other similar mark. Thereafter, the said injunction was confirmed in September 2004. Proceedings in the main suit progressed and on the basis of the pleadings, issues were framed. The main issues to be decided were a) whether the use of the mark FENTEL by the defendants amounts to infringement of plaintiffs registered trademark ZENTEL and b) whether the suit was liable to be dismissed on the ground of delay, laches and estoppel.

The Defendants' contention was that their product FENTEL had been introduced in 1998 and had acquired substantial reputation in the market. They claimed that the word FENTEL had been derived from the name of their company, nature of disease and the drug Albendazole – F from FAITH, which was part of the company's trading style, ENT obtained from the Greek word enterikos which meant intestines and EL from the name of the drug. They further contended that the mark was being publicized and promoted alongside the ZENTEL products for several years and that the Plaintiffs had not raised a timely objection on use of their mark. Thus, on grounds of delay, latches and estoppel, the Defendant argued that plaintiffs were not entitled to the relief of injunction.

Addressing the issues raised in the Suit, the Court highlighted the dictum by Supreme Court in the case of F. Hoffman La Roche v Geofferey Manners wherein it was held that the marks have to be compared from the point of view of an average person of imperfect recollection and meticulous comparison of the words side by side is not to be made. The true test to determine deceptive similarity is whether the totality of proposed marks is such that it is likely to cause confusion or

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mistake in the minds of persons accustomed to the existing trade mark. Stress has to be laid on common features rather than on differences in essential features. Bearing this in mind, the Court in this case held that the marks ZENTEL and FENTEL were overwhelmingly similar visually, structurally and phonetically. The Court further considered that both drugs were being used for treatment of the same condition and while these drugs were to be sold on prescription by a medical practitioner, mistakes could not be eliminated for deceptively similar trade marks – either on account of lack of competency or availability of medicines across the counter which is not improbable in a country like India. The court also observed that the adoption of the said mark by the defendants is not honest and the explanation given for adoption is downright imaginative and far-fetched and only to confuse the court.

The Court also touched on the aspect of laches and stated that mere inaction on the part of the plaintiff did not preclude them from suing for infringement. It stated that in order to claim the defence of acquiescence, there should be a tacit or an express assent by the plaintiffs to the defendants using the mark in a way encouraging the defendants to continue the business.

In light thereof, it was confirmed that the use of the mark FENTEL by the defendant amounts to infringement of the plaintiffs registered mark ZENTEL and a decree of permanent injunction was passed in favour of the plaintiffs. Also, based on the facts and the law, the contention of defendants on delay and acquiescence was rejected. However, nominal damages were granted in the matter as the Court believed there was no basis to award damages solely on the assumptive sale of products. It stated that the Plaintiffs failed to prove actual damages and only costs to the tune of USD $4,200 were granted.

The case once again highlights the concept of deceptive similarity of trade marks and the need for a stricter scrutiny required for pharmaceutical, medicinal and health care related products. It is only fair that extra caution be exercised whilst dealing with products concerning human health.

SERBIA

Gordana Pavlovic, Cabinet Pavlovic, Brussels and Belgrade

The Patent and Trade Mark Office has prepared a draft Trade Mark Law which aims to further harmonise the Serbian trade mark legislation with that of the European Union (in particular the Harmonisation Directive 2015/2436 and the Enforcement Directive 2004/48). The draft was approved by the Government and sent to the Parliament for debate. Below is the summary of the main provisions of the proposed Law.

On the positive side, the proposed law re-introduces a provision stating that a trade mark owner can prohibit not only the import and export of infringing goods, but also their transit through Serbia. In the past, the Serbian trade mark legislation provided for the protection of trade marks against goods in transit but, following changes in the European legislation, such protection was removed from the Serbian legislation. The re-introduction of this provision is a welcome move.

On the negative side, the proposed law replaces national exhaustion by international exhaustion. This is a result of extensive lobbying against national exhaustion on the grounds that it distorts competition and results in higher prices for end consumers. In the first draft, the Serbian IP Office had proposed the principle of European exhaustion, but the idea was later abandoned since Serbia is not yet a member of the European Union. The proposed Trade Mark Law provides for international exhaustion, which will be replaced by European exhaustion when Serbia joins the European Union.

The proposed Trade Mark law also introduces opposition proceedings, in combination with ex officio examination on absolute and relative grounds - the latter being the system that the Serbian IP Office has followed for years. This means that trade mark applications will first be examined on absolute and relative grounds and, if found suitable for registration, they will be published in the Intellectual Property Gazette for opposition purposes. The Serbian IP Office claims that keeping a system of ex officio examination on relative grounds minimises the instances of consumer confusion, which may occur because small and medium-sized companies often do not have the resources to monitor the Serbian register and take appropriate steps to oppose later trade marks.

The deadline for opposition is three months from publication date. If the applicant does not respond, the opposition will be automatically accepted. At the request of the applicant, the opponent must submit evidence of use of its earlier trade mark, otherwise the opposition will be refused. The proposed law provides for a cooling-off period of 24 months maximum.

The decisions of the Serbian IP Office can be challenged by filing an administrative lawsuit before the Administrative Court. The proposed law abandons the possibility of appealing to the Board of Appeals at the Ministry of Education, a remedy which did not work very well in practice.

Further, the proposed law provides for the mandatory use of trade marks. Third parties can challenge a trade mark in case of unjustified non-use during a period of five years starting from the registration date or the date of last use. The novelty is that, in case of cancellation for non-use, the trade mark will cease to be valid on the date of filing of the non-use cancellation action. In the past, trade marks ceased to be valid on the date of expiry of the five-year period (from the registration date, respectively from the date of last use). Use of an earlier trade mark is also required to file an opposition/invalidation/infringement action, but only if the trade mark was registered for longer than five years.

Further, trade mark enforcement has been improved under the proposed law. The law features detailed provisions on the collection of evidence, preliminary injunctions, the securing of evidence and the calculation of damages. The statute of limitation remains three years from the date on which the trade mark owner became aware of the infringement and the identity of the infringer, and five years from the date of the infringement. The novelty is that, in case of continuous infringement, the five-year term is calculated from the date of the last infringement, which is a welcome change. The law also introduces liability for intermediaries.

The proposed law provides that the new law will apply to applications filed and proceedings initiated, after the enactment of the law.

TURKMENISTAN

PETOSEVIC

A new Law on Trade Marks entered into force in Turkmenistan on 19 June 2019, introducing important changes and clarifying the trade mark registration procedure.

Trade Mark Definition

The new law defines a trade mark as a verbal, graphic or 3D designation of any

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colour or colour combination, or a combination of such designations, which serves to distinguish goods, works and services. The expression 'other designations' referring to non-traditional trade marks is not present in the new law, so it follows that non-traditional trade marks will be denied protection. The term 'service mark' that was present in the previous law was also removed from the new law for being synonymous with the word 'trade mark'.

Protection Period

According to the new law, trade marks filed before 5 November 2008 will be valid for 10 years from the registration date, like in the previous law, while those filed after this date will be valid for 10 years from the application filing date.

Well-Known Trade Marks

The new law excluded the previously existing articles relating to the protection of well-known trade marks, which means that trade marks can no longer be recognized as well-known or be granted special status in Turkmenistan, unless the determination of well-known status is provided for in the by-laws which are yet to be adopted.

Grounds for Refusal

In the new law, the list of grounds for refusal of a trade mark registration is now divided into two, namely, absolute and relative, while several new grounds for refusal were added. Trade Marks will now also be refused if they contain the following:

- Names of states, international organizations, etc., as well as words derived from them, (e.g. Russian, Turkmen, Mexican, etc.); these may be used as unprotected elements, provided that there is a permission of the relevant authority;
- Characteristics of goods, including their type, quality, quantity, properties, purpose, value, as well as the time, place and method of their production or sales; these could previously be included as unprotected elements, which is no longer possible.

List of Goods/Services

It is no longer possible to file a trade mark application using class headings to cover all goods and services indicated in the classes. Where class headings and other general terms are indicated in the list of goods, the scope of protection will include only those goods and/or services covered by the literal meaning of those terms.

Subsequent Filing of Documents

The time period for the subsequent filing of documents related to the application has been extended from two to three months from the filing date. This deadline can be further extended for up to three months (rather than six months, as previously) upon the applicant's request. One document that cannot be subsequently filed is the proof of payment of the official trade mark filing fee.

Formal Examination

The new law also specifies that formal examination should be carried out within one month after the expiration of two months from the application filing date. The former law did not specify the time period for conducting formal examination.

Under the new law, applicants can also request accelerated formal examination within ten working days from the request filing date, subject to payment of a fee. The former law did not include such provision; it was included in a by-law.

Oppositions and Observations

While the former law required the Turkmen PTO to notify applicants of any oppositions or observations received following the completion of formal examination and the publication of relevant information in the Official Gazette, the new law has removed this requirement.

Substantive Examination

According to the new law, substantive examination should begin after the formal examination, but not earlier than six months from the application's priority date. While the previous law required the completion of substantive examination within 12 months from the filing date, the new law only specifies when substantive examination should begin.

However, the new law introduces the possibility to accelerate substantive examination to as little as 20 working days from issuing the formal examination decision, at the request of the applicant and subject to payment of a fee. At the same time, if an application with an earlier convention priority is received from another applicant for an identical trade mark and for similar goods or services, Turkmen PTO is entitled to invalidate the trade mark registered in the accelerated procedure.

Invalidation of Trade Mark Registration

The new law introduces several new grounds for trade mark invalidation, namely if:

- The trade mark was registered in the name of a person not engaged in entrepreneurial activity; Article 3 of the new law states that 'a trade mark may be registered in the name of a physical person engaged in entrepreneurial activities without forming a legal entity, or a legal entity engaged in entrepreneurial activities';
- The trade mark is identical or confusingly similar to a previously registered appellation of origin (AO), unless the designations in question are included in the trade mark only as unprotected elements and registered for the same goods and in the name of the same person as the AO;
- An agent or representative of the trade mark owner, in one of the contracting parties to the Paris Convention, filed an application for the registration of the same trade mark in their own name, unless this action was justifiable;
- An identical or confusingly similar trade mark to the competitor's is registered for similar goods and/or services; however, clarification is needed to further interpret the meaning of 'competitor' in this context.

Disputes and Appeals

The new law now specifies that trade mark registrations may be invalidated by Turkmen PTO's Appeals Commission decisions or court decisions. This is an important new provision because it clarifies which state bodies have jurisdiction to handle trade mark invalidations.

Finally, the period for appealing the Appeal Commission's decisions in court has been shortened from six months to 45 calendar days.

VENEZUELA

Ricardo A. Antequera H., Antequera Parilli & Rodríguez

For Venezuela, 2019 has been a very challenging year. The political and economic crisis has increased and relating to intellectual property rights, we faced constantly changes in process and decisions that impacted the regular course of matters.

Since 2014 a highly discriminatory payment system for foreign entities was

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implemented by Venezuelan Trademark Office (SAPI). This was followed by a temporary suspension of payment of official fees in 2018, and then at the start of this year the designation of the Venezuelan government crypto currency, the Petro, as the only way to pay official fees. Despite the fact that there is no provision in the US sanctions (US Executive Order 13850) that prohibits US persons from the payment of official fees for the acquisition and maintenance of IPRs in Venezuela, payment in Petros is in violation of these sanctions and thus rights holders can no longer pay these government fees.

As a result of extensive discussions and hearings between the IP community and SAPI, a new alternative was offered. At the beginning of May, SAPI posted on its website and related social media accounts the availability of a new procedure for the payment of official fees for foreign IP holders in US dollars or EUROS, but only in cash.

However, the mechanism is far from perfect, since this new procedure will require authorized IP law firms to have access to US dollars in cash. Early on in August another set of US sanctions were enacted upon Venezuela, prohibiting US individuals or companies from engaging in transactions with the Government of Venezuela, by broadening the scope and definition of Government of Venezuela to include not only some state owned companies and particular officials but also including this time all property and property interests of the Government of Venezuela

On the same day as the issuance of this new Executive Order, 6 August 2019, OFAC published new General Licenses, and among them, General License 27 in which they expressly authorize US persons to pay fees to the Government of Venezuela and to pay reasonable and customary fees and charges to attorneys and representatives within the US or Venezuela in connection with intellectual property transactions.

Consequently, General License 27 authorizes transactions in connection with the protection, maintenance and enforcement of intellectual property rights in Venezuela, including the payment of official fees. Expressly permitted are the filing, prosecution and maintenance of any patent, trade mark, copyright, or other form of intellectual property protection in Venezuela, as well as the filing and prosecution of opposition or infringement proceedings with respect to an IP right, or the entry of a defense in such proceedings.

Bad faith or not? The sky is the limit

Rachel Wilkinson-Duffy, Baker McKenzie

This year has proved useful in providing us with two potentially very formative EU trade mark cases dealing with the thorny issue of what constitutes bad faith.

AG opinion in SkyKick v Sky

In his opinion in the Sky vs SkyKick case, the Advocate General (AG) of the Court of Justice of the European Union (CJEU) on 16 October 2019 potentially introduced ground-breaking new principles in EU trade mark law.

In the view of the AG, a registered proprietor could be regarded as acting in bad faith if there was no genuine intention to use the mark on the full range of applied-for goods or services, even in cases where a very broad specification term might also cover goods or services for which there is a genuine intention to use. Should the CJEU follow the AG's opinion, this could have far-reaching ramifications for trade mark registrations covering broad terms.

This widely reported case followed a referral from the High Court of England and Wales and involved proceedings in which the well-known broadcaster Sky sued SkyKick (a supplier for cloud migration software) for trade mark infringement of UK and EU registrations for SKY. The registered specifications included goods such as 'whips' and 'bleaching preparations', for which Sky prima facie had no intention to use, as well as more obviously relevant, but extremely broad, goods such as 'computer software'. SkyKick contended that Sky's registrations were invalid because (i) the goods and services were not specified with sufficient clarity and precision and (ii) Sky had no intention to use in relation to the full range of goods and services, thus the applications were made at least partially in bad faith.

In the AG's opinion:

- A lack of clarity and precision is not, in itself, a ground for invalidity. However, permitting registration for excessively broad terms such as 'computer software' is unjustified and contrary to the public interest. Furthermore, while such a term may be clear, it lacks precision, as the goods are too variable in their function and field of use to be compatible with the function of a trade mark. Such a registration would provide a monopoly of immense breadth not justified by any legitimate commercial interest of the proprietor. On this point, the opinion goes so far as to reference the strict practice of the USPTO, seemingly with a nod of approval.

- The intention of the proprietor to use should be considered when assessing whether the criteria for precision is met, mirroring the principles for determining revocation for non-use, in particular when use is only in relation to subcategories of goods/services. The opinion does not envision a change in examination practice, as it would remain inappropriate for a trade mark office to determine whether there is an intention to use during the course of examination. Nevertheless, it is difficult to see how an office, which is required to consider the clarity and precision of specifications, could justify not objecting to a term such as 'computers software' on examination in the face of a ruling by the CJEU that it is not precise.

- Any application filed with no intention to use, even if only in relation to some goods/services, resembles an anticompetitive attempt to prevent third parties from developing their own commercial activities, which is clearly not the objective of the trade mark system. The mere fact that the applicant may be attempting to acquire a general monopoly, rather than prevent a specific third party, is irrelevant and such behaviour still amounts to an abuse of the trade mark system.

- Contrary to prior case law of the General Court, the Regulation and Directive are sufficiently clear (now in Article 59(3) and Article 7 respectively) that, where grounds for invalidity only apply to some goods or services, a registration shall be declared invalid only to that extent. As such, a registration can be deemed only partially filed in bad faith, including where the intended use was only in relation to subcategories of categories applied for.

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Bad faith or not? The sky is the limit continued

EUIPO Board of Appeal in Monopoly

The second noteworthy recent case on bad faith involved the slightly earlier decision of the EUIPO's Second Board of Appeal issue on 22 July 2019 in Kreativni Dogadji v Hasbro, which at the time of writing was understood to be under appeal to the General Court.

This case involved an application to invalidate an EUTM registration owned by Hasbro for MONOPOLY on the grounds that it was filed in bad faith for the sole purposes of circumventing the use requirements. Hasbro had prior EUTMs for the identical mark MONOPOLY and the challenged registration covered goods/services already protected under these older, and notably vulnerable to non-use attack, registrations, in addition to a wider category of goods/services.

After the unusual step of conducting an aural hearing, in which Hasbro provided oral evidence through cross-examination, the Board held that it saw no commercial logic for the re-filing of an identical mark for identical goods/services other than to avoid the need to prove use in enforcement proceedings. Hasbro's registration was therefore declared invalid for all the goods/services already protected by prior registrations. This finding appears to have focused on two points:

i. that the Board considered Hasbro's evidence to include an admission that there is an advantage in a filing strategy which avoids the need to prove genuine use in opposition proceedings (although this point was contended by Hasbro), and

ii. Hasbro did not allow its older registrations to lapse on renewal, implying that the decision to re-file was not for the purpose of portfolio consolidation. On the second point, however, it is worth noting that the older registrations formed the basis of ongoing oppositions when they became due for renewal, which under EU principles would have fallen away insofar as they were based on these registrations had they not been renewed.

Importance for pharma

Both these cases, if the principles are upheld, will have a potentially far-reaching impact on EU trade mark practice. SkyKick would introduce into EU law the requirement for a genuine intention to use which has not previously been considered present and significantly lift the bar on what is considered to meet the criteria of 'precise'. This has the potential to shift filing practice on specifications within the EU from its current, arguably overly permissive, approach to one which is more closely aligned with that followed in the US. The extent of such a shift is, however, likely to determine whether this is widely perceived as a positive change, or an undue restriction on trade mark proprietors. For many of us who have experienced the ever increasing challenge of clearing a new mark for use and registration, this shift is likely to be at least cautiously welcomed. It may, however, have a lower practical impact in the overall clearance of pharmaceutical trade marks though, where it is necessary to cross both the regulatory and trade mark hurdles. Unlike other sectors in which a more precise description of goods and services would avoid a conflict with marks registered for those of a different function and field of use, a pharmaceutical mark may still be refused regulatory clearance if considered too similar to a trade mark used in relation to a product for an entirely different indication. Nevertheless, the requirement for a more precise description is still likely to have a positive impact on trade mark clearance for class 5 goods.

This leads to the question of whether broad terms such as 'pharmaceutical preparations' or 'medical devices' are likely to be permissible if the AG opinion is upheld. Applying the AG's reasoning, it must be assessed whether the goods which fall within these broad categories are too variable in their function and field of use to be compatible with the function of a trade mark. There is certainly scope to maintain that they are and we can expect this line of argument to become commonplace. Whether or not the trade mark offices in the EU would start to apply such a stricter approach at the examination stage remains to be seen. However, with only partial invalidity or refusal being a potential outcome, for those brand owners who wish to maintain the practice of filing for broad terms, there seems little incentive to limit the scope of protection applied for to more precisely mirror the intended use, other than to avoid future objections. The AG's opinion does not categorically answer whether a trade mark office or court in handing a dispute may proactively amend a broad specification term, or if the proprietor must offer this up in advance of a decision. An analogy was drawn in the opinion between the assessment of intention to use and after genuine use, so following that reasoning it seems a reasonable conclusion that the proactive approach by the office or court would be appropriate, as it is when determining the scope of protection in a non-use revocation action. Nevertheless, while this remains uncertain, it would seem prudent for applicants seeking to file broadly to adopt the policy of including both broad and more precise terms independently going forward.

A further concern envisaged by these two cases is the potential combination of a requirement for a genuine intention to use and a prohibition on re-filing, if the policy adopted in Kreativni Dogadji v Hasbro is upheld and broadly applied. This would have the potential of introducing a particularly significant additional hurdle for pharmaceutical trade mark owners. As established in Viridis v Hecht Pharma, a lack of use due to delays in the conclusion of clinical trials and obtaining marketing authorisation does not constitute a valid reason for non-use sufficient to maintain a registration. In such circumstances, one can envisage a scenario where a trade mark owner has lost its first registration due to a non-use attack but is barred from re-filing on the grounds that this merely circumvents the use requirements. One can only hope that a proper assessment of the facts in such a case would result in a different outcome. A requirement for an intention to use, if applied strictly, could also have significant implications for those who keep a trade mark bank, where at the time of filing it is not known which specific goods the mark is intended for use.

Given the very wide-reaching potential impact of these cases, they will certainly be ones to watch closely.

Non-Use Defence in Litigation Proceedings in Turkey

Güldeniz Doğan Alkan and Dicle Doğan, Gün + Partners

Our May 2019 article in LL&P focused on the non-use defence in opposition proceedings. This time we will be concentrating on the non-use defence in court proceedings. Article 25/7 of the Industrial Property Code (IPC) regulates invalidation actions and Article 29/2 regulates infringement actions regarding trade marks. Both articles refer in their last paragraphs to Article 19 foreseeing the procedures for the non-use defence. Article 19 of the IPC governs the non-use defence in opposition proceedings. Accordingly, the mechanism of a non-use defence can be applicable for invalidation and infringement actions.

In invalidation actions based on confusing similarity, the non-use defence may be claimed by the defendant similar to proceedings before the Turkish Patent and Trademark Office (the Office). The plaintiff must prove use of the trade mark that the court action relied upon within the previous five years, starting from the filing date of the court action. This mechanism has also been incorporated into court actions. The main reason behind this is to avoid earlier trade mark owners abstaining from filing oppositions where this defence is implemented and therefore bypassing such a defence mechanism by only filing court actions once the younger trade mark is registered.

If the trade mark that a court action relied upon has been registered more than five years before the contested trade mark's filing or priority date, the plaintiff must also prove the use of its trade mark within the previous five years. If the plaintiff fails to prove that the trade mark was effectively used in Turkey or if the justified reason for not using the trade mark is not proven, the request for invalidation will be partially or entirely dismissed.

In infringement actions, if the defendant requests proof of use, in accordance with Article 29/2 the plaintiff must prove the use of its trade mark within the previous five years from the filing date of the court action.

The non-use defence, both in invalidation and infringement actions can be asserted according to general procedure rules determined in the Turkish Procedure Law numbered 6100. As per the Turkish Procedure Law, upon filing the invalidation or infringement action the plaint petition and its exhibits are notified to the defendant. Once the plaint petition is notified, the defendant must submit a response petition within two weeks. In that response petition the defendant must allege the non-use defence so that the court then orders the plaintiff to submit evidence supporting the use of the trade mark(s) relied upon. But the IPC provides a period of one month for submitting proof of use evidence, so these two provisions are contradictory.

Since the non-use mechanism is regulated as a defence, the courts do not have the authority to ex-officio request proof of use from the plaintiff. A decision regarding trade mark use shall be made at preliminary examination stage before hearing the case on the merits if the defendant asserted the non-use defence. In practice, we see that most judges do not render such decisions regarding non-use defence at the preliminary examination phase. The courts refer to experts for evaluation of trademark use. The court may choose to appoint one expert or an expert panel and based upon their evaluation, the judge then renders a decision on the merits.

It should be noted that in case the defendant applies for such a defence mechanism, and if the court concludes that the trade mark is not used and therefore dismisses the request for invalidation or infringement actions, this would not automatically cause the revocation of the plaintiff's trade mark. However, the defendant is entitled to file within two weeks a counter-action requesting the revocation of the plaintiff's trade mark.

Due to the technicality of the pharmaceutical sector, usually the courts appoint an expert panel consisting of three experts. The experts are required by the court to provide opinion merely on the technical points within their specialist area and not on the merits of the case. Consequently, based on parties' submissions, evidence and the expert review of the file, the court delivers its judgment at the last hearing and within a couple of months the reasoned decision is drafted.

As to proving trade mark use - invoices, price lists, catalogues, product codes, products, packaging, signboard visuals, advertisements, promotions and their invoices, marketing surveys, opinion researches, information about the commercial activity and any additional documents or statements regarding Turkey can be submitted to the courts.

While assessing genuine use the court shall take different factors into consideration. For example, time, place, nature, extent of use and use for the goods/services for which the trade mark is registered should be examined. All evidence submitted to the file should be explicitly linked to the trade mark, dated and should demonstrate genuine trade mark use in Turkey.

Under Turkish regulations, pharmaceutical products should obtain a marketing authorization from the Turkish Ministry of Health to be sold only in pharmacies and marketed to healthcare professionals. Such marketing authorizations can be applied for only by entities or real persons residing in Turkey. Advertising of pharmaceuticals to the general public is prohibited. Therefore pharma companies can only promote their products to healthcare professionals which can present difficulties when proving use. Brochures, presentations, documentation regarding scientific meetings held in relation to their products and any other kind of documentation is important in this connection.

Another hurdle is the fact that often the entity owning the marketing authorization in Turkey and the trade mark owner are not the same. In such cases, the trade mark owner should explain the connection with the local entity and submit extensive documents showing that the local entity is using the trade mark in Turkey.

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It is particularly important to submit invoices issued by the local entity. Experts appointed by the court often seek to find the link between the two entities; invoices and commercial books of the local entity showing that the product bearing the trade mark has been sold in Turkey are relevant. If invoices and other documents proving the use of the trade mark are issued by another entity, even if this entity is affiliated to the trade mark owner, the courts may not directly accept such evidence. Therefore it is important to submit license or sublicense agreements or franchises and/or merchandising agreements in order to prove the relation of the companies and the use of the trade mark.

In a recent case, experts examining the invoices of the local entity stated that they could not determine whether the amounts shown in the invoices submitted to the case file were recorded to the commercial books of the local entity as well. Hence evidence showing the sale of the product by the local entity might not suffice to convince the court that the trade mark has been genuinely used by the trade mark holder or by an authorized representative.

Other documentation can also support that the trade mark has been used. For example, the maximum sale prices of pharmaceuticals are set by the Ministry of Health and are published in the Ministry's official website as well as the number and date of the marketing authorization of the product. This information is available to the public and may be used as evidence supporting the retrospective use claim.

Although non–use defence is a new concept in invalidation and infringement actions, IP courts and experts appointed by the court are experienced in what documents should be submitted since revocation actions based on non-use were regulated before the IPC in Decree No. 556. Therefore, while assessing this defence, the courts take into consideration such elements as the lack of advertising material or the possible justified reason for a pending marketing authorization from the Ministry of Health.

Opportunities in Medical Cannabis in Germany

Margret Knitter, SKW Schwarz

The legalization of medical cannabis in 2017 has turned into an attractive destination for related businesses. New business perspectives have opened up; however, anyone wishing to do business with cannabis should be familiar with its complex legal framework.

Medical marijuana has been legal in Germany since March 2017. Since this date, doctors have been able to prescribe cannabis flowers and extracts from cannabis to seriously ill patients. The number of patients receiving cannabis on prescription has increased rapidly, triggering a genuine demand for domestic growing and importation and thus offering a great opportunity for innovative business models. However, it should be noted that, under German law, medicinal cannabis products are subject to both pharma and narcotics legislation with accordingly high requirements on product quality, import and distribution.

The domestic growing of cannabis is managed and controlled by the Federal Cannabis Agency (Cannabisagentur) set up by the Federal Institute for Drugs and Medical Devices (Bundesinstitut für Arzneimittel und Medizinprodukte, BfArM), as the competent regulatory authority whose main task is ensuring a high quality of cannabis produced in Germany. Home growing, even for medical purposes, remains prohibited and production can only be carried out by companies selected by the Cannabis Agency in a government bidding process.

The first successful tender procedure was completed in May 2019. The tender covers a total of 10,400 kg of cannabis, spread over four years with 2,600 kg each. It is divided into 13 lots of 200 kg per year. This means that the first contract has been awarded for the cultivation and harvesting of a total of 7,200 kg of cannabis and is expected for the fourth quarter of 2020.

The total production will be bought up by the Cannabis Agency and subsequently resold without profit to pharmaceutical manufacturers, wholesalers and pharmacies holding the required licenses. Until the next bidding process is initiated, the growing of cannabis remains reserved only for those that have been already selected by the Cannabis Agency.

Additionally, supply of cannabis products to patients will be covered by imports. Importation of cannabis requires several narcotics and pharma legislation-related licenses and authorizations. In particular, any company wishing to import cannabis products into Germany has to apply to the Federal Opium Authority, a sub-unit of the BfArM, for a narcotic trade license; the applicant must have a registered office in Germany and has to provide specific documentation, inter alia relating to the persons in charge, who must have the required expertise, as well as relating to the local production plants, which must be secured against unauthorized removal.

Finally, it should be mentioned that violations of the applicable narcotics legislation may result in severe criminal sanctions. Still, if the licensing proceedings mentioned above are observed, the legalization of cannabis offers great opportunities for innovative business models.

In this context, cannabis manufacturers should consider protecting their brand as a trade mark. To note that in Germany trade mark protection for recreational cannabis is not possible because the retail of it would constitute an infringement of the Narcotic Drugs Act (Betäubungsmittelgesetz - BtMG). This is why the German Patent and Trademark Office for the time being only accepts trade mark protection for marketable cannabis. A typical list of goods and services would include the following items: 'cannabis for medical purposes' (Class 5), 'foodstuffs containing marketable cannabis' (class 29), 'marketable cannabis plants' (Class 31), 'smoking articles for the use of marketable cannabis' (class 34), 'retail of marketable cannabis' (Class 35).

PROFILE: Bruce Longbottom

PTMG committee member Bruce Longbottom is Assistant General Counsel for Trademarks at Eli Lilly and Company, with responsibilities including: (1) managing trademark matters on a global basis, (2) supporting global anti-counterfeiting strategy, and (3) advice on copyright compliance and Internet matters. Bruce has been active in INTA (former Chair of Anticounterfeiting Committee and on Board of Directors). He has testified as a witness in criminal trials involving counterfeiting of Cialis as well as testifying before a US Congress subcommittee on 'Counterfeit Drugs: Fighting the Illegal Supply Chain'. He is honored to carry on Lilly's long-standing commitment to PTMG.

Where were you brought up and educated?

My parents emigrated from the UK (Yorkshire) to Canada. I was born in Toronto. We moved to the US when I was very small, and I grew up in Indianapolis, Indiana. All my schooling, including law school, was in Indiana.

How did you become involved in trade marks?

In my first legal job (as an associate with an Indianapolis law firm) I handled trade mark, copyright and Internet issues for various clients. The Internet was just starting, so there were many interesting new issues.

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

I would probably be a pastor in a church somewhere or a missionary.

Which three words would you use to describe yourself?

Humble, kind and humble. If repeat words are not allowed, then: humorous.

Complete the following sentence: "I wish that …

There was more forgiveness in the world. Whether in the family or workplace or anywhere else, we should show much grace to one another.

What was your biggest work or career mistake and what did you learn from it?

I litigated a case involving a weak trade mark and lost, when the case should have settled. I learned to be more cautious and to consider all options.

Complete the sentence: I'm no good at …

Selecting clothes that match. I've learned to let my wife select my clothes. For PTMG in Berlin she took photos of the clothes for me to wear, but then my luggage was delayed and arrived late Friday evening. Oh well!

What's the best thing about your job?

No two days are the same. You never know what will show up in your email or at your door.

What did you want to be as a child?

I wanted to be a journalist, as I liked writing and was told that our family was related to Charles Dickens (still don't know whether that is true).

What is the soundtrack to your life?

Amazing Grace (how sweet the sound, that saved a wretch like me….).

What is a common misperception of you?

As an evangelical Christian I can still enjoy good beer or wine and have a good time.

What is your philosophy in a nutshell?

Show the love of Christ to others.

Who was your mentor or role model?

Bob Lee, who is known/remembered well by many in PTMG. Being in-house trade mark counsel for a large multinational pharmaceutical company is no ordinary job. Bob patiently trained and mentored me for many years. I owe a lot to him!

Whom do you most admire and why?

William Wilberforce. He lived and followed his Christian convictions and made a large impact on his part of the world – especially abolition of the slave trade.

Which book or books are you currently reading?

Boundaries by Dr. Henry Cloud and Dr. John Townsend on when to say yes and know how to say no in order to take control of your life. Very interesting.

What is your favourite children's book?

The King, the Mice and the Cheese.

Which book changed you?

Ecclesiastes (in the Bible). I was struggling with the big picture of life, and it really resonated with me. Very philosophical and yet very practical. It pointed me in a very different direction.

What is your all-time favourite film?

The Lord of the Rings, Return of the King. Frodo and Sam, the riders of Rohan, good v evil, lots of good stuff!

What is comfort eating for you?

A donut and tea (English breakfast tea of course).

What is your favourite item of clothing?

All my favourite items of clothing have been thrown away by my wife, as I wore them far too often.

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