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SPRING 2007 74TH CONFERENCE REPORT

Virtually Trade Marks - ITs and Bits

Sheraton Grand Hotel, Edinburgh, Scotland

**Sarah Anne Keefe, Womble Carlyle Sandridge & Rice PLLC,
Raleigh**

Well, the meeting might have been billed as the 'Spring Conference', but delegates arriving in Edinburgh were quickly told that the season was actually 'late winter'. The weather was sunny, though rather cold and blustery, with frequent sightings of snow flurries.

The pre-conference dinner, held on Sunday evening 18 March, was a lovely affair, with fine food and even finer company. Delegates caught up quickly over wine and champagne and everyone agreed that the promised programming was sure to be of great interest. We all so much enjoyed Derek Rossitter's recollection of a past trip to Scotland to meet his future in-laws for the first time. But the real fun happened before the dinner, when a hotel fire alarm went off causing delegates to leave their rooms and gather in the lobby, right in the middle of their preparations for dinner. It is always a treat to see your colleagues in bathrobes and hair towels coolly milling about a hotel lobby as if it happened every day!

On the morning of Monday 19 March, the PTMG delegates arriving early were seen darting in and out of the towering and impressive Edinburgh Castle. A quick, guided walking (and climbing) tour of this magnificent structure was the perfect way to start the day and prepare for the coming programme.

That afternoon, Sue Evans, PTMG Chairman, officially welcomed everyone to Edinburgh and kicked off the conference by putting out an all-points bulletin for her luggage, which had apparently gone astray. With the help of Lesley Edwards, the PTMG delegates enthusiastically reappointed Sue and Vice-Chairman Richard Heath to another term and received the June 2006 report.

Hubertus Cranz, Director General of the Association of the European Self-Medication Industry (AEGSP), began the conference with his talk *Umbrella Branding and Other OTC Issues in Europe*. He first advised that AEGSP represents a very broad base of non-prescription medicine manufacturers, including herbals and food supplements. He discussed the topic of EU harmonisation for OTC drugs, including such topics as market access, advertising, classification and trade names.

With respect to the topic of advertising, he stated that, in principle, all OTC drugs may be advertised in all media. However, he went on to describe the issue of 'second hurdles' and gave the example of Spain with its restrictions on the advertisement of OTC drugs to the public and other prohibitions related to reimbursement for advertised OTC drugs prescribed by a physician. He indicated that the AEGSP organisation was working to eradicate such additional rules and hurdles.

On classification, he described OTC drugs as being directed to minor, self-medicating diseases which patients often self-diagnosed. He compared these with prescription drugs, which tended to include most new medicines (ingredients used for less than five years), drugs often used incorrectly and drugs likely to present a danger, even if used correctly. In announcing a goal of better regulation, he recommended a sensitive approach to new legislation and guidelines, variations regulations and a new invented names policy.

Editorial

In the run up to the INTA Annual Meeting when I am looking forward to seeing all my trade mark friends from all over the world, my thoughts turn to internationalism and what it means.

As trade mark practitioners, our first thought might be the Madrid Agreement and Protocol and its possible extension to countries that, 10 years ago, we might have thought would never be interested in signing up to the system: Latin America and India are two regions that have fairly recently indicated that they will be joining. Naturally, international systems such as Madrid or the European Union are entered into at a price, and I do not think there are any practitioners now who would say that private practice firms have not seen filings drop as national systems become less attractive to brand owners. The advantage is that work has become more varied and what one might describe as high-end work with a greater focus on clearance (helped and hindered by the availability of so much information on the internet and from what were once far-flung countries) and disputes, whether at registries or in the marketplace, have become more important.

There has been a lot of discussion of global warming and particularly of our influence on it by travelling, both by car and by plane. Responses to this international threat though still seem to vary by nationality. Some senior executives in the UK have asked for corporate chauffer cars to be changed from a traditional silver limo to a hybrid electric-fuel Toyota Prius, and fuel-guzzling 4x4s/SUVs/Chelsea tractors have been demonised in some circles, resulting apparently in a drop in the numbers purchased new. However, I was at a meeting recently discussing the possibility of increasing the occurrence of face to face meetings which would require us to take more flights each year. I asked whether we should not factor in the impact on our carbon footprint when making the decision. One colleague, a fluent English speaker but not from the UK, asked, 'What's a carbon footprint?'

The effects of our actions, our friendships and our working relations are truly international. How we operate in an international environment is likely to continue to be governed by national cultures for some time yet.

Georgy



And a special thank-you to Lisa Ritchie (pictured) without whose help this issue could not have been produced

Parallel imports: English case on imports into the EEA

Roche Products Limited v Kent Pharmaceuticals (English Court of Appeal) Arty Northey, Rouse & Co. International, London

Pharmaceutical brand owners will breathe a sigh of relief to know that the English Court of Appeal has rejected a parallel importer's attempt to establish implied consent on the basis of an EU regulatory compliance product marking.

Roche Products v Kent Pharmaceuticals was an appeal from summary judgment granted to Roche in trade mark infringement proceedings relating to the parallel importation into the UK of glucose testing strips bearing Roche's ACCU-CHECK trade mark. The strips were supplied on beneficial terms by one of Roche's associated companies for use exclusively in the Dominican Republic. In breach of those terms, they found their way to France, where they were purchased in good faith by Kent and imported into the UK.

The packaging bore the CE mark, which indicated that the product had been formally approved for sale in the EU. Kent argued that it also indicated that Roche had consented to sale in the EU.

The Court of Appeal confirmed the principles established in *Zino Davidoff*: in the absence of express consent, implied consent can only be inferred from facts and circumstances that unequivocally

demonstrate that the trade mark owner has renounced his rights. It noted that Kent faced an 'uphill task' in these circumstances given that Roche had made it clear that the products were supplied for use in the Dominican Republic only, and that the purpose of the CE mark was to denote regulatory compliance.

The court accepted that, in principle, the CE mark could have a meaning different from, or wider than, its primary meaning. However, it held that to establish such a meaning it would be necessary to produce evidence that the CE mark would generally be interpreted in that way by trade mark proprietors and parallel importers. Kent had not produced such evidence.

Four witness statements from the trade were subjective: evidence only of the view of the deponents, and not of the industry at large. The only other statement was given by Kent's purchasing director, who asserted that the CE mark was 'generally treated by all parallel importers as evidence of importability into the EU'. This fell a long way short of clear and unequivocal evidence of consent. Even if it could be interpreted as such evidence in relation to parallel importers, it would be necessary to have such evidence also in relation to trade mark proprietors. The

court further indicated, without expressing a concluded view, that even at summary judgment stage, such evidence should be given by an independent expert.

Kent also argued that it had produced sufficient evidence to show that it should not be denied the opportunity of producing further evidence at trial. This argument was rejected. Satisfactory evidence should be produced at a summary judgment hearing unless acceptable reasons are given for not doing so.

The court distinguished *Glaxo v Dowelhurst*, where the issue of whether the presence of an EMEA licence number on product packaging indicated consent was held to be a triable issue that could not be determined at a summary judgment hearing. It distinguished that case on two grounds: first, in addition to the EMEA licence number, the packs which Glaxo had sold outside the EU to French West Africa were the same as the packs it used on the French market, and second, the arguments put forward by Glaxo differed from those put forward by Roche.

Trade mark owners should be happy with this decision. It confirms that parallel importers will find it difficult to prove consent in the absence of express consent.

Members' News

PTMG Membership Directory

You should by now have received your copy of the new Membership Directory. If you have not, then please let me know. It's amazing how much time and effort were required in order to produce this updated edition and I would especially like to thank Angela George and Georgy Evans for their hard work in putting it together.

I would also like to take this opportunity to say a big thank you to Angela George, our Membership Secretary, who has now retired from this role. Over the past five years Angela has done an excellent job in managing our Membership List and, in her hands, it has been transformed into a manageable and malleable format which will continue to serve us well in the future. We wish Angela well in her many other interests.

I have now taken over responsibility from Angela for all membership matters.

New Members

We are delighted to welcome the following:

Dr Rajeshkumar Acharya of Law Office of H.K. Acharya & Company, M/2, N.R. House, Nr. Popular House, Ashram Road, Ahmedabad - 380 009, India

Antoinetta Arcuri of Kirkpatricks, Avenue Wolfers 32, BE-1310 La Hulpe (Brussels), Belgium

Oscar Benito of GlaxoSmithKline, Corporate Intellectual Property, 980 Great West Road, Brentford, Middlesex, TW8 9GS, UK

Christie Bertoline of Novartis Corporation, Corporate Intellectual Property, One Health Plaza, East Hanover, NJ 07936-1080, USA

Mark Engelmann of Fross Zelnick Lehrman & Zissu PC, 866 UN Plaza, 6th Floor, New York, NY 10017, USA

Rossana Ferrari of Pons Patentes v Marcas SL, Glorieta de Ruben Dario 4, 28010 Madrid, Spain

Ina-Mara Helbig of Reinhard Skuhra Weise & Partner GbR, Friedrichstrasse 31, D-80801 Muenchen, Germany

Nadine Jacobson of Fross Zelnick Lehrman & Zissu PC, 866 UN Plaza, 6th Floor, New York, NY 10017, USA

Gerardo Messerer of Moeller & Co IP Services GmbH, Gabriel-von-Seidl-Str.30b, 82031 Grunwald b. Munchen, Germany

Terence McAllister of Ohlandt Greeley Ruggiero & Perle LLP, One Landmark Square, 10th Floor, Stamford, CT 06901-2682, USA

Coleen Morrison of Marks & Clerk, 280 Slater Street, Suite 1800, Ottawa, Ontario K1P 1C2, Canada

Nicolas Passadelis of Baker & McKenzie, Zollikerstr. 225, Zurich, Switzerland

Dr Tim Sperling of Boehringer Ingelheim GmbH, Binger Strasse 173, 55216 Ingelheim am Rhein, Germany

David Stone of Howrey LLP, 22 Tudor Street, London EC4Y 0AY, UK

Alexey Vakhnin of Innotec, Bld.6 Preobrazhenskaya Pl., Moscow, 107061, Russia

Moves and Mergers

Bird & Bird (Hong Kong office, member is Ted Chwu) has moved offices to 33rd Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong

Yee Swan Boo has moved from Donaldson & Burkinshaw to Lee & Lee at 168 Robinson Road, #25-01 Capital Tower, Singapore 068912

Jonty Ellis can now be found at Ellis Verboeket Terry at Level 12, Forsyth Barr House, Johnston Street, Wellington, New Zealand

Tom Farrand is now with ip21 Ltd at 1 Cornhill, London EC3V 3ND, UK

Magnus Hirsch has left Baker & McKenzie to join Schwarz Kelwing Wicke Westpfahl at Morfelder Landstrasse 117, D-60598 Frankfurt/Main, Germany

Belinda Isaac has established her own firm, Isaac & Co, and can be found at 15 Polstead Road, Oxford, Oxon OX2 6TW, UK

Johan Schulter Law Firm (member is Annemette Ellerman) has moved to Hojbro Plads 10, 1200 Copenhagen K, Denmark

Pierre Konings can now be found at N.V. Organon (affiliated company to Akzo Nobel) at Molenstraat 110, PO Box 20, 5340 BH Oss, The Netherlands

Redd, Solicitors (members are Charters MacDonald-Brown and Sara Ashby) has moved to 29 Cloth Fair, London EC1A 7JQ, UK

Henri Michel Reynaud can now be found at Jalenques Lecasble & Associates, 47 Avenue Hoche, 75008 Paris, France

Martin Viefhues has left Linklaters to join Jonas Rechtsanwalts-gesellschaft mbH, Borsenplatz 1, 50667 Koln, Germany

David Weild III and **Maria Scungio** have left Fross Zelnick Lehrman & Zissu PC to join Edwards Angell Palmer & Dodge LLP at 750 Lexington Avenue, New York, NY 10022, USA

Where are they now?

Copies of the last edition of *Law Lore & Practice* addressed to the following members have been returned. Do you know where they are now? If so, please let me know.

Anna Bosch of Vita-Invest SA, Spain

Ariane Fontanilles of CIBA Speciality Chemicals, Switzerland

Jaques Leger of Leger Robic Richard, Canada

Sheila Macnab of Solvay Healthcare Ltd, UK

Roger Moore of Elkington & Fife, UK

Dr Norbert Pastrello and **Dr R Sgarbi** both of Gruppo Lepetit SpA, Italy

Chantal Paya-Couderc of Laboratoire Chauvin SA, France

Dilia Rodriguez of Clarke Modet & Co, Colombia

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

Lesley Edwards
PTMG Secretary

EU: the average consumer for pharmaceutical products

Séverine Redon, Inlex, Paris

The question of whether medical professionals or the end consumer, or both, are the relevant public will be brought to the European Court of Justice after the opinion of the Advocate General in *ALREX / ARTEX* on 26 October 2006. The Advocate General considered that the decision to purchase a product is made at the moment that the choice is 'economically' made between the products and the trade marks. For the Advocate General, the relevant public for a comparison of prescription pharmaceutical trade marks is therefore professionals. If one of the products is also available over the counter, the end user should be included in consideration of the relevant public. The analysis proposed by the Advocate General limits the role of the end user allowed by previous Court of First Instance (CFI) decisions and also excludes the risk to public health. However, the choice of the end user should still be considered when at least one of the products is sold over the counter.

On 17 November 2005, the European CFI had held that both medical professionals and the end consumer are the relevant public when assessing the risk of confusion between trade marks for pharmaceutical products. In earlier proceedings, the Third Board of Appeal of the Office of Harmonization for the

Internal Market (OHIM) stated that the risk to health should not be counted in an assessment of the risk of confusion, as this was not provided for in the Community Trade Mark Regulations (CTMRs). On appeal, the CFI did not take a position on the risk to health, but commented that the end consumer is part of the relevant public given that a choice is made by the end user at the medicine cabinet.

Previously, European case law decided on who is the relevant public for an assessment of likelihood of confusion between pharmaceutical trade marks had not been decisive.

In *DAFLON / CAFON* (2005), the First Board of Appeal of OHIM considered that pharmaceuticals were prescribed by doctors and sold by chemists, and therefore that there was no consumer choice at the time of the purchase. The Board concluded that the risk of confusion at home in front of the medicine cabinet is beyond the scope of the CTMRs.

On 4 May 2006, the Second Board of Appeal included the end user as a relevant consumer to assess the risk of confusion between *TANAKAN* for vascular dilators and *TAVAXAN* for ophthalmic pharmaceuticals. The Board noted that these products were designed to treat minor disorders and therefore that the

attention of professionals and end users would not be high. Treatments for serious diseases would require a higher degree of attention.

In *CALSYN / GALZIN* (2006), the CFI held that when assessing the risk of confusion between two pharmaceutical trade marks, the relevant public is composed of professionals and patients. Even though the level of attention of the public is high, given the strong similarity between the signs and the goods (calcium based pharmaceuticals / treatment for Wilson disease), there was a risk of confusion.

The product, its method of distribution and the consumer of the product are certainly relevant factors when assessing the risk of confusion between pharmaceutical trade marks. As pointed out by the Advocate General in *ALREX / ARTEX*, the economic choice is indeed made when the product is purchased, and not when the product is consumed. However, the risk to health needs also to be taken into account by the authorities but whether this will be held to be the job of the authorities delivering the marketing authorisation or should also include trade mark authorities remains to be seen.

This topic will be explored further by Tibor Gold MBE at the autumn PTMG conference in Budapest.

US Update

James A. Thomas, Parker Poe, Raleigh, North Carolina

A federal court in California has held that a trade mark applicant could file and maintain a declaratory judgment action against a party who filed an opposition against the applicant's application. The court rejected the defendant's argument that mere filing of an opposition was insufficient to support such a declaratory judgment action in federal court, but instead concluded that the opposition was sufficient because it included claims of infringement. The court also found that it could take up the issues of infringement and dilution directly, despite these issues having been first raised in the notice of opposition filed before the Trademark Trial and Appeal Board. (*Neilmed Prods. v Med-Systems* (California, US, 2007))

Another federal court in New Jersey has decided that it was not bound to stay a federal court infringement action to await the decision of the Trademark Trial and Appeal Board in an opposition action involving the same mark, but could proceed with a trial on the issue of infringement despite the pending opposition proceeding (*Nutraquest, Inc. v All Am. Pharm. & Natural Foods Corp.* (New Jersey, US, 2007)).

The Trademark Trial and Appeal Board upheld the rejection of an application for *PROGRAMMED PROTEIN* for medical research services relating to DNA and gene synthesis because the mark was found to be merely descriptive of such services. (*In re Centocor* (2006))

Forthcoming Events

18 -21 September 2007
Marques International Conference
Porto, Portugal

27-28 September 2007
ITMA Autumn Conference
Treviso/Venice, Italy

3-5 October 2007
PTMG 75th Conference
Budapest, Hungary

US PhRMA: Projects and plans of the Trademark Focus Group

Robert E Lee, Jr., Chair, with thanks to George Didomizio

Strategic position

The PhRMA Trademark Focus Group continues its strategic position to work with various groups, including regulatory authorities, to present reasonable challenges to the regulatory assumption that trade mark similarity is a major cause of medication errors. In the absence of research into the causes of medication errors, the industry is placed in a defensive position to persuade FDA and other health authorities that putting an inappropriate focus on trade mark similarity while ignoring other factors gives a false sense of security that something significant is being done to reduce medication errors, while the underlying causes continue to put patients at risk.

Causation research

The PhRMA Trademark Focus Group continues its interest in the work of Dr John Senders relating to research into the causes of medication errors. His research is aimed at the sharp distinction between legibility and similarity. Cursive handwriting is emerging as a key element in medication errors because it creates what Dr. Senders describes as noise in the communication channel that blurs the distinctiveness between trade marks. An early hypothesis is that pharmacists use an extractive mind set when every letter of a trade mark is legible, and use a constructive mind set when one or more letters are illegible. In theory, it is the constructive mind set that is more error prone.

Suffix glossary

PhRMA has provided a grant to the Institute for Safe Medication Practices to develop a Suffix Glossary of suffix identifiers that will become a standard reference text for practitioners. The objective is to maintain optimal creativity in the use of trade mark suffixes that is consistent with patient safety. The PhRMA Trademark Focus Group is working closely with the National Coordinating Council for Medication Error Reporting (NCC MERP) on this project.

State legislation on prescription legibility

As an outgrowth of an 11 August 2006 presentation by Robert E Lee to the

California State Panel on Medication Errors, the PhRMA Trademark Focus Group has developed a matrix of state legislative activity on prescription legibility. At the present time, 10 states have enacted some type of legislation dealing with prescription legibility and another seven have initiated action leading to legislation. Most of this legislative activity is aimed at eliminating cursive handwriting on prescriptions and hospital orders.

Concern expands about DMETS expansion of trade mark evaluation: What began as an FDA initiative to discourage the use of identical trade marks for different products in various parts of the world, has expanded into a DMETS practice of looking for similarity in trade marks for products not marketed in the US. The PhRMA Trademark Focus group has created a Working Group to develop a PhRMA position about the practice and how to deal with it.

Vaccine nomenclature

The PhRMA Trademark Focus Group has formed a new Working Group to focus attention on an opportunity to reposition nomenclature on vaccine products. At the present time, the trade mark appears last in the nomenclature presentation on vaccine products. The goal, in the interests of reducing practitioner confusion and medication errors, is to propose changes that would place the trade mark first on vaccine products. ISMP has taken a leadership role in this effort.

PDUFA IV developments

FDA trade mark evaluation activities are part of the proposals to extend the Public Drug User Fee Act that were discussed at a public meeting on February 16, 2007. Details are available at <http://www.accessdata.fda.gov/scripts/oc/ohrms/dailylist.cfm?yr=2007&mn=1&dy=16>

PhRMA and EFPIA provide input to EMEA on trade mark guidelines

The PhRMA Trademark Focus Group is working closely with EFPIA to provide industry input to EMEA on Revision 5 of its *Guideline on the acceptability of names for human medicinal products processed through the centralized*

procedure. The document was released on 5 February 2007 and is targeted for adoption in July 2007.

New publication on medication errors

Robert E Lee is a co-author of Chapter 6, *The role of drug names in medication errors*, in the new publication *Medication Errors* edited by Michael Cohen, President of ISMP. The 680 page publication is available through amazon.com and other book outlets.

New developments in reducing medication errors

This was one of the topics at the American Conference Institute's programme on *Advertising Law for the Pharmaceutical Industry* held on 23-24 January 2007 in New York. Robert E Lee, Colleen Klasmeier of Sidley Austin, and George Di Domizio of Gemini Trademark Services, gave presentations that are available by emailing LEE_ROBERT_E_JR@LILLY.COM.

STOP PRESS!

Boehringer and others v Swingwards and others

The European Court of Justice's second judgment in this long-running case concerning parallel imports within the EU has now been decided.

A report will be published in the next issue of *Law Lore & Practice*.

EFPIA position paper: Compulsory INN prescribing (approved 20 December 2006)

Ann Robins, EFPIA, Brussels

Trade marks offer an underlying assurance to the consumer on the origin and quality of the product and on the reliability of the manufacturer. From an industrial perspective, a trade mark is a fundamental asset for a company, irrespective of which goods are concerned. In the pharmaceutical domain, the brand is particularly important given that both doctors (for prescription products) and patients (for both prescription and over-the-counter products) rely on the quality of the manufacturers behind that brand. In most cases they would not want to change their therapeutic choice if the drug concerned is effective.

Recently, there have been signs that some EU member states (including Italy, Spain and France) are contemplating proposals to introduce a compulsory International Non-Proprietary Name (INN) prescription system. A compulsory system is already in place in Portugal and Lithuania. This is a cause of concern because the move would undermine the freedom of physicians to prescribe branded medicines and the inner value of trade marks for both companies and patients.

Concerns for patients & doctors

Non-mandatory INN prescribing at least allows doctors to exercise freedom of therapeutic choice. If the system becomes mandatory, doctors have no more freedom to choose and prescribe what they believe to be the most appropriate medicine for their patients. Patients may respond differently to a similar but not identical product. This is particularly true for biological medicinals which are similar to reference biological products: the immunogenic response might be quite different from patient to patient.

With compulsory INN prescribing, doctors are prevented from using a brand. This may prejudice the doctor-patient relationship, since the doctor will no longer have control over the specific medicinal product which will be delivered to the patient. This could result in a loss of confidence from the patient (especially older patients with chronic diseases) as well as confusion arising from frequent changes of medicine. Elderly patients who are used to taking several medicines together would have to remember several INNs, most of which are not easily distinguishable from each other. In cases of need, such patients might not be able to say exactly which drugs they have taken in the last 24 hours. Moreover, when a product is made of two or more active principles, the ability to remember (and even pronounce) the INNs is further reduced. Instead of increasing the security

of the patients, all these factors could play a negative role in patient compliance.

Compulsory INN prescribing also raises questions of liability: who will be liable if a doctor voluntarily and knowingly prescribes by INN and a patient suffers a severe adverse reaction: manufacturer, doctor, pharmacist or authorities? Clearly the doctor's liability is likely to be modified, which would introduce a high level of uncertainty, to the detriment of public health interests. In addition, the effectiveness of the applicable pharmacovigilance system might be at risk, particularly if only a few generic manufacturers maintain an efficient internal network of pharmacovigilance experts.

Industry concerns

Compulsory INN prescribing would prevent competition at the physician level between manufacturers of branded off-patent and generic products. Moreover, advertising a product via its trade mark to the doctor would be completely useless. On the other hand, generic manufacturers could immediately upon launch take advantage of the physician's awareness of the specific active ingredient, for which the originator company has generated a huge volume of scientific information over the years at its own cost. Under certain circumstances, particularly if the prices of the branded product and its generic copy are substantially the same, a compulsory INN prescribing system could be even seen as a State aid to generic manufacturers, prohibited under Article 87 of the EC Treaty.

Compulsory INN prescribing favours the generic products to the detriment of the (branded) reference products whose patent term has lapsed. There is no justification for the interference with what constitutes a fundamental intellectual property asset for research-based companies even after patent expiry. Allying the contrary would entail eroding the value of a trade mark as soon as the patent/SPC covering the concerned product comes to an end. This link between two different titles of intellectual property is not consistent with international treaties such as TRIPS and appears contrary to the objectives of the 'Community Code on Medicinal Products'.

Introducing mandatory INN prescribing could also discourage certain forms of cooperation between pharmaceutical companies, such as co-marketing and co-promotion, especially between larger companies and small to medium enterprises. The brand owner would have

no more reason to involve another undertaking in the promotion of its trade mark at the physician's level. This would be even more problematic before expiry of the patent, when the patent owner relies on the cooperation of other undertakings to have its product presented to doctors as widely as possible.

Competitive market conditions will cause the price of off-patent, branded generic medicines to fall. Measures to foster a competitive generics market should apply equally to all off-patent medicines, not only to generics. That implies that the branded product after patent expiry has the same opportunity to compete as the generics. Greatest savings to the health care system result in conditions where there is no discrimination, but rather, an equal playing field for all competitors.

Those policies aiming to foster the development of generic markets should be applied with full respect to existing intellectual property rights and should not lead to any formal or informal substitution between different active ingredients. Compulsory INN prescribing distorts market conditions and is likely to artificially maintain prices at a higher level than they would otherwise be if true competition were allowed. This is due to the fact that branded generics may have a lower price than that of their generic competitors. Further, should reimbursement prices differ substantially, the doctor should be free to prescribe a higher priced product and the patient should be free to pay the difference.

EFPIA position

EFPIA supports the development of competitive generics markets and recognises that significant savings might be created from actual competition in the off-patent sector. However, measures to foster a competitive generics market should apply equally to all off-patent medicines, and not only to generics. That implies that the branded product after patent expiry has the same opportunity to compete as the generics. There must be no discrimination, but rather, an equal playing field for all competitors. Given the potential risks for the patients, the interference with intellectual property rights (trade marks) and the other grounds discussed, EFPIA opposes the trend of INN prescribing becoming mandatory, which would result in positive discrimination in favour of generic products. It is thus essential to act against the risk of dissemination of these proposals throughout Europe and to maintain optionality in the interest of all parties concerned.

He advised that the two primary issues related to invented names involved umbrella trade names and a change in classification status from prescription to OTC. With respect to umbrella branding for OTCs, he mentioned that the common use of a trade name allowed consumers to navigate more easily, to better recognise product categories and also to select products within categories more easily. Umbrella branding also allowed manufacturers to create trust in particular products, particularly for OTC drugs in new product forms. He mentioned that consumers were already quite familiar with umbrella branding in other product categories and noted that OTC drug manufacturers often faced competitive pressure from other product categories, such as food supplements and cosmetics. He went on to describe the 'special box' provisions and EMEA Guideline Revision 4 allowing for umbrella branding on OTC medicines. He also mentioned the special ruling with respect to umbrella brand qualifiers or abbreviations which require translation.

Next up, **Professor Sir Hugh Laddie**, a consultant at Rouse & Co. International, presented on the topic of *IT in the Legal System*. Calling upon his experience as lawyer, judge, consultant and professor, Sir Hugh stressed the importance of access to courts and described that, in this age, reasonable public access must be understood to include web-based access to proceedings. He advised that when the court system was not functioning properly litigants, and not the judiciary, suffered, and he humorously advised that the 'moderately human' judiciary was often removed or isolated from the public. Since litigants fund the system, litigant access should be a priority and litigants should not be required to have to travel to court to view the proceedings. He also indicated that a common criticism of the idea of cameras in the courtroom was what he referred to as the OJ factor: a fear that a trial would turn into a spectacle as lawyers played to the camera.

Quoting Jeremy Bentham, he stated, 'Publicity is the very soul of justice. It is the keenest spur to exertion and the surest of all guards against impropriety. It keeps the judge himself, while trying, under trial.' He compared these statements to recent statements by U.S. Supreme Court Justices Roberts and Souter, both apparently unwilling to embrace camera access to their court.

From his perspective as an attorney, Professor Laddie described the complexities resulting from the sheer volume of relevant, published cases and

various and overlapping courts and administrative bodies and paraphrased Edmund Burke: 'Laws, like houses, lean on one another'. He referred to the UK's Gowers Report and the high cost of litigation and advised that technology had the potential to reduce costs, but also the potential to complicate matters and to increase costs. He also mentioned that China was training intellectual property attorneys as judges and this was an interesting development.

Afternoon tea was followed by a short, sunny and brisk afternoon break which found many PTMGers again visiting the Edinburgh Castle or doing some shopping on nearby Royal and Princess Streets. That evening, PTMG delegates boarded bus coaches to South Queensferry and were delivered to Hopetoun House, one of Scotland's finest stately homes designed by architects Sir William Bruce and William Aiden and built between 1699 and 1702. The darkness prevented delegates from exploring the more than 100-acre grounds, but we did get the opportunity to explore (with champagne in hand) the main house, complete with original 18th century furnishings and wallcoverings, plus family photos of the current Marquess of Linlithgow and his family. Delegates ate a fine gala dinner (including neeps and tatties) in the separate ball room structure while being entertained by lively music and even livelier traditional Scottish folk dancing.

Perhaps to celebrate the return of Sue's luggage, the PTMG delegates were also treated to haggis while a gentleman in traditional Scottish kilt recited Robert Burns' well-known poem *Address to A Haggis* in tribute to the famed Scottish dish, served with a shot of whisky on the side. While some PTMGers drank their scotch prior to eating the haggis, this reporter's waiter advised that the scotch whisky was meant to be poured over the haggis and the haggis then eaten. If only they had provided an extra glass of scotch whisky for courage!

Following a breakfast buffet (yes, more haggis!), the morning of Tuesday 20 March brought delegates to hear the Chairman's Remarks, followed by the great **Isabel Davies** of CMS Cameron McKenna LLP and her *International Review of Significant Cases*. Isabel started her talk by explaining that, due to a filing error by a trainee solicitor, all of her original notes and analysis for her presentation had been lost! We can only hope that this trainee solicitor's ultimate fate did not mirror that of Mary Queen of Scots or her first three husbands.

While Isabel kindly offered to instead

show snaps (aka photos, for my fellow Americans) from her recent sailing holiday in Thailand, and in fact did amaze us with just a few photos, she went on to provide her overview of important cases. Isabel broke her discussion down into three categories, namely shape and colour issues, parallel trade and competition, and everyone's favourite section, 'Other'. With respect to shape and colour, Isabel covered Pfizer's VIAGRA shape/colour victory in Argentina, and noted that a similar case remained pending in Canada where an earlier decision had found the PROZAC pill shape and colour not registrable.

With respect to parallel import cases, Isabel discussed the still active Eurodefences, discussed in detail at the PTMG Boston conference, and the continuing quest to define 'goods in transit'. Isabel further highlighted cases involving exhaustion of rights defences, including the recent *Roche Products v. Kent* (English Court of Appeal, December 2006), abuse of dominant position defences in restricting parallel trade and differential pricing and the applicability of the defence to copyright cases. The catch-all category of 'Other' included a review of cases on repackaging, groundless threats, internet infringement and extraterritorial injunctions/cross-border jurisdiction.

Isabel delighted audience members with a quiz, *Isabel's Brain Trust*, to see if we could correctly guess whether a particular mark was permitted over an allegedly similar mark, with the winner being awarded a bottle of champagne. The quiz highlighted cases involving findings of likelihood of confusion and, given the number of participants scoring 50% or less, including your reporter, there was great speculation as to whether an alternative career choice for some were warranted!

Isabel's talk was followed by **Alan Hunter**, of the Association of the British Pharmaceutical Industry (ABPI), and his presentation on *Generics - the Need for Invented Names*. In picking up a challenge laid down on Saturday evening, Alan began his presentation with a wonderful hand-crafted poem, which owing to copyright considerations and a tight publication deadline, cannot be printed here. Be sure to contact Alan for a copy. Alan advised that a good, generic name had the following characteristics: short and distinctive, unique, available for use and not likely to cause confusion. Alan described the common pitfalls associated with use or misuse of stems designed to provide pharmacological information,

tricky consonants and unfortunate, but often humorous, connotations.

Zaide Frias, Chairperson of the Name Review Group (NRG), Regulatory Affairs Sector of the European Medicines Agency, provided an EMEA update on the topic of *Trademark Suffixes and Qualifiers*. Zaide's very helpful discussion began with her describing the composition of the NRG and its procedure for checking proposed invented names.

In line with trends seen elsewhere, statistics indicated approximately half (223 of 449) of submitted names were rejected during 2005 and 2006. She described the safety concerns of the NRG as relating primarily to concerns with respect to confusion in print, speech or handwriting, concerns with regard to invented names conveying misleading therapeutic or pharmaceutical connotations and concerns for names which were misleading as to product composition.

She advised that, during the safety concern review, the NRG considered the legal status and classification for supply, orphan designation, indication, patient population, pharmaceutical form, route of administration, strengths, setting for dispensing and use, and assessment of potential harm in the case of an error. She also noted guidelines discouraging use of INN stems or using INNs as the basis for deriving invented names.

Zaide went on to describe where medication errors occur, and advised that 39% of errors were in prescriptions, 12% in transcriptions, 11% in dispensing and 38% in administering. Zaide mentioned that invented names should ideally consist of one word, but that qualifiers and abbreviations could be made acceptable by providing reasons, such as that the additional term is useful, describes characteristics (properties or duration of action), poses minimal risk to patients if additional term is omitted through mistake and no translation of the additional term is required to be understood in all EU countries. The invented name should also not have a bad connotation in any EU languages or convey a promotional message.

Zaide provided helpful statistics showing that the basis for recent NRG objections with the following categories: similarity 65%, multiple terms without justification 22%, INN similarity / INN stem usage 5% and conveying promotional or misleading message 6%.

Delegates enjoyed a short coffee break before hearing **Ian Kirby** of Arnold & Porter (UK) LLP, on the topic of *Designs*

and *Copyright in the Pharmaceuticals Industry Europe*. Ian began by discussing the Designs Directive 1998 and the Community Design Regulation 2001. He described the many benefits of the Community Design Right (CDR), including its availability for pill, package and medical device design, the broad scope of protection, the availability of multiple designs in a single application and a cheap and simple registration process. Further, unlike an unregistered CDR, a registered CDR does not require proof of copying to prevail in an infringement claim. CDR protection is available to a design which is new and has individual character, creating a different overall impression on an informed user as compared to prior art. Ian discussed the recent *Procter & Gamble v Reckitt Benckiser* (English High Court, 2006) case with respect to the developing meaning of these terms. He also provided a comparison of CDR protection and trade mark registration protection and a brief overview of copyright issues.

Following Ian's presentation, **James Thomas** of Parker Poe & Adams & Bernstein, gave the US perspective in his presentation on *Designs and Copyright in the USA*. James provided an in-depth overview of *SKB Consumer Healthcare LP v Watson Pharmaceuticals, Inc.* (US, 1999), a case holding that while a pharmaceutical company could claim and retain copyright in commercial labelling, it could not assert copyright in labelling required by the US FDA (and the Hatch Waxman Amendments) against a generic drug manufacturer that copied its labelling. James then went on to discuss several post-Watson cases, including the TALSTARONE pesticide case (which found that copying was not permitted since the US EPA did not require identical labelling) and the NULEVIN/NEOSOL pharmaceutical case (which found that the Hatch-Waxman defence did not apply as neither product at issue was FDA approved). James also covered 'first sale' exhaustion cases and several design patent cases, tending to indicate that design patent owners were facing an increased burden in proving designs to be ornamental and lacking any functional purpose.

During a break, Sue Evans announced that, in departure from prior custom, she would announce the location of the Spring 2008 meeting – and the winner was Dublin, much to the delight of the crowd.

PTMG delegates then broke for a lovely lunch before reconvening to hear **David Taylor**, of Lovells, present on the topic of *.EU and other Domain Name Developments*. David began by explaining that the number of ccTLDs in the EU had now reached 55

and the total number of registrations neared 25 million, or nearly 25% of total registrations worldwide, with Germany (.de) having nearly twice as many as any other EU country. With regard to dispute resolution policy, David noted that the EU was not in fact 'uniform' in that not all countries used the UDRP, with some having modified procedures while others relying on court proceedings. In the last twelve months, more than 750 decisions involving .eu domain names (the first and still sole cross-border ccTLD) have been issued and new developments such as domain name parking, domain name tasting and automatic domain name registration software tended to indicate more disputes were on the horizon.

David explained that, under the .eu UDRP, a complaining party must show that the subject domain name is identical or confusingly similar to a trade mark or service mark, the registering party has no rights in the mark, and the domain name has been both registered and used in bad faith. David went on to give many examples of different domain names sought by several different parties, all with apparent legitimate business interests in the same name, such as polo.eu and post.eu, domain names which were sought by numerous registrants whose requests were processed almost simultaneously.

Andrew Cowley of GlaxoSmithKline, outlined an *IT Strategy for Trade Marks – An In-house View* with a presentation entitled *The IT Factor*. Andrew provided the much-needed IT professional perspective to the issue and noted three main challenges – operational efficiency, increased globalisation and risk. With regard to operational efficiency, Andrew suggested organising structured data in one place and integrating such data with simple report generation functionalities. Andrew described data-mining software features allowing for knowledge building and information interpretation, and described the goal of the paperless office, with automatic form generation and seamless integration part of every work station. He also discussed the implications of electronic discovery requests and integration among various communication tools.

The final speaker of the conference was **Mark Bard** of Manhattan Research who presented on *Pharmaceutical Marketing Strategy in the Electronic Age*. Mark began by advising the importance of understanding that physicians and patients no longer rely on just the information provided by pharmaceutical companies via

their sales representatives or printed patient educational materials, given increased physician and patient access to internet resources. Mark went on to divide his presentation into three segments: (1) relevance of the online channel, (2) relationship with pharmaceutical companies, and (3) recognition of consumer influence.

Mark first discussed the relevance of the online channel and noted that 85% of European physicians consider the internet an essential part of their practice, with noted reasons being access to online professional journals and access to clinical news. He also noted that physicians in search of professional content were using internet search engines, video, streaming audio, blogs, and podcasts

Mark next discussed the second segment: the relationship with pharmaceutical companies. He noted that European physicians stated that while information provided by sales reps remained the physicians' preferred source of new product information, the internet was increasingly being used as a source of product information, including emails and websites.

Mark's final segment, recognition of consumer influence, discussed patient use of the internet to obtain pharmaceutical product information. Mark gave examples of such activity in response to direct-to-consumer advertising in the U.S. He noted that patients were almost three times as likely to use the internet to obtain additional product information after

viewing an advertisement than they were to use the toll-free number presented in the advertisement. Mark advised that patients researching products online and visiting product sites were also significantly more likely than the overall population to request the advertised product.

Our sincere congratulations and a big thanks to Lesley Edwards and Sue Evans, the PTMG Board, and our speakers for another stellar meeting and great programming!

International Update

China: amended drug distribution regulations address counterfeit drug concerns

August Zhang, Rouse & Co. International, Beijing

The State Food and Drug Administration (SFDA) recently amended the Methods of Administration & Supervision of Drug Distribution (Methods). The amended Methods impose stricter distribution recording rules and prohibit the sale of drugs-on-hand at trade fairs.

When counterfeit drugs are seized by enforcement agencies at hospitals or pharmacies, it can be difficult to trace the source of goods up the supply chain as records are lacking. In order to assist these investigations, the Methods adopt detailed recording rules for drug purchases. Drug manufacturers and distributors are now required to keep detailed records of drug sales, including the full name of the supplier, drug name, manufacturer, batch number, quantity and price.

The sale of drugs at trade fairs has become a channel for counterfeiters, and is often conducted by unlicensed distributors. The Methods prohibit the sale of drugs-on-hand through trade fairs, expos and trade shows. The penalties for breaching this provision include fines of up to five times the value of the sale, as well as confiscation of the drugs and any illegal income obtained from them.

Whether these new provisions will have the desired effect of minimising the

distribution of counterfeit drugs has yet to be seen. Official statistics show that in 2006 the SFDA handled 332,000 cases involving the illegal production and distribution of drugs and medical equipment, revoked 160 trading licenses and closed down 114 wholesale companies.

China: classification of retail services in China

Linda Chang, Rouse & Co. International, Shanghai

From a Chinese perspective, the recent amendments to the Nice Classification of Goods and Services is disappointing. Once again 'retail services' are unable find a legal identity in Chinese PTO practices.

For years, retail brand owners have been forced to describe their services as 'sales promotions (for others)' in class 35 when applying for a trade mark registration, and depend on this description to prevent others from infringing their marks. For example, the retailer Wal-Mart was granted well known trade mark status in class 35 for 'sales promotions (for others)', and successfully prevented an infringer from using WAL-MART on lighting products, in its company name and in a domain name. This judgment was issued after the PTO explicitly expressed in 2004 that 'sales promotions (for others)' in class 35 does not include retail services.

This situation may be improved in the near future. A Chinese PTO official advised during informal discussions that it was only a matter of time before the PTO

will accept retail services in Class 35 in trade mark applications. In the meantime, attorneys have submitted a written request to the PTO for the acceptance of retail services on behalf of clients. Other interested parties are likely to seek to express their opinion on the classification of retail services to the PTO.

EU: likelihood of confusion between RESPICORT and RESPICUR

S  verine Redon, Inlex, Paris

The European Court of First Instance (CFI) has reversed a decision of the Second Board of Appeal of the Office of Harmonisation in the Internal Market (OHIM) and has held that there is a risk of confusion between RESPICORT and RESPICUR for 'therapeutic preparations for respiratory illnesses'.

The decision is particularly interesting in relation to the risk of confusion depending on the public concerned, medical professionals or end consumers.

The court considered that RESPICORT and RESPICUR were visually and phonetically similar. Conceptually, medical professionals would perceive the prefix RESPI- as meaning 'respiratory'. Consumers would also understand this meaning, given that they are highly aware of respiratory illnesses as a serious health concern.

The differences in meaning of the suffixes -CORT (corticoids) and -CUR (cure) would not be striking to medical professionals given the weak distinctive character 'cure'

and the differences would not be perceived by end consumers at all. The court therefore concluded that RESPICORT and RESPICUR are similar for medical professionals and highly similar for end consumers. On a global assessment, the CFI considered that medical professionals would not confuse RESPICORT and RESPICUR, but that even highly attentive consumers would be confused.

EU: no likelihood of confusion between Z-P-DERMIL and Z.DERM

S  verine Redon, Inlex, Paris

The Second Board of Appeal of OHIM has ruled that Z-P-DERMIL and Z.DERM are not confusingly similar. The goods covered by the application and the earlier mark (dermatological products) were identical. However, the Board considered that Z-P-DERMIL and Z.DERM were different even though the meaning of the prefixes Z or Z-P (zinc pyrithione) would be understood by medical professionals only and not by the end consumer.

Due to the weak distinctive character of single letters and of the suffix -DERM, the Board considered that there was no likelihood of confusion between the marks. No distinction was made between the perception of medical professionals and highly attentive consumers. This decision could be reversed in light of the RESPICORT / RESPICUR decision of the CFI discussed above.

France: cancellation of BOTOX

S  verine Redon, Inlex, Paris

The Court of Appeal of Paris has cancelled a French trade mark registration for BOTOX for non-use. A trade mark application for BOTOX was filed on 14 December 2000 by Allergan for preparations for the treatment of wrinkles and muscular dystonia in class 5 and it also obtained a marketing authorisation to use BOTOX for preparations to treat neuromuscular disorders. Allergan received a marketing authorisation for botulinum toxin to treat wrinkles under the trade mark VISTABEL in 2003. Therefore, Allergan had no marketing authorisation for the trade mark BOTOX in respect of preparations to treat wrinkles.

The court found that the evidence of use submitted by Allergan merely showed that the BOTOX product was a success. It considered that BOTOX was only used to designate the botulinum toxin, and not as a trade mark. The registration was therefore cancelled for all goods from the expiry of the five-year grace period, starting 15 December 2005.

The cancellation action was brought by the owner of the marks BOTO CREAM and BOTO LIKE MASK because Allergan had challenged these marks on the basis of its registration for BOTOX. The court held

that prior to the cancellation date, the registration for BOTOX was infringed by the use of BOTO CREAM and BOTO LIKE MASK. Further, the use of these marks for products not containing the botulinum toxin demonstrated a will to take undue advantage of the reputation of BOTOX which constituted an act of unfair competition.

The cancellation decision is severe, at least in respect of preparations to treat muscular dystonia. While the court recognises that BOTOX has a reputation in France, this reputation is not linked to the product itself, but only to the botulinum toxin. Therefore, Allergan obtained damages on the ground of unfair competition only.

India: can LOPRIN and LOPARIN coexist for medicines?

Rachna Bakhru, Rouse & Co. International, Dubai

An Indian court has given an interim ruling in *Kalindi Medicare Pvt Ltd v Intas Pharmaceuticals Ltd* which adds to the confusion as to which criterion should be applied to a comparison of pharmaceutical trade marks. The court has applied principles of English law which give regard to dissimilarities between products, and has overlooked the ground realities in India, where there is no single common language and restricted drugs may be available over the counter. The ruling departs from earlier Indian precedents which held that special care should be taken when comparing pharmaceutical trade marks if any kind of confusion could lead to disastrous consequences, particularly when the products have different purposes.

The plaintiff owns an Indian registration for LOPRIN and has been using the mark since 1994 for analgesic anti-platelet drugs that prevent coagulation to combat and prevent cardiological problems. The word LOPRIN was claimed to have been derived from 'low dose of aspirin'. In 2005, the defendant began using LOPARIN for injections for intravascular use for prevention of coagulation from the damaged endothelium of coronary arteries. The defendant submitted that LOPARIN belongs to the life saving medicines category and is typically given to patients in critical hours of vascular complications.

The plaintiff filed proceedings for trade mark infringement and passing off and claimed that LOPARIN is visually and phonetically similar to its registered mark LOPRIN in respect of identical goods (medicines).

The court distinguished the products in question and gave consideration to the dissimilarities in the preparations and manner of use/administration. The court

acknowledged that doctors can make mistakes and that it is not uncommon for drugs to be purchased over the telephone or for handwritten prescriptions to be misread due to bad handwriting. However, it commented that the method of intake of a drug cannot be ignored. The court also gave consideration to the differences in price (LOPARIN is 52 times more expensive than LOPRIN), the methods of administration and the nature of the products (anti-platelet as opposed to anti-coagulant).

The court held that the balance of convenience was in favour of the defendant, which had good sales in LOPARIN over 10 months (approximately USD \$1.6m). The interim injunction which had been granted in favour of the plaintiff was set aside.

Indonesia: revised customs law issued

Sara Holder, Rouse & Co. International, Jakarta

Indonesia has included border control provisions for IPR violations in its Customs Law since 1995. However, the provisions have never been implemented due to a lack of the necessary implementing regulation. Seizures for IP infringements are therefore presently made on an ad hoc basis only. However, recent amendments to the Customs Law in November 2006 are positive and it is hoped that there will not be significant further delay in issuing the implementing regulation. Many of the changes have direct relevance to IPR enforcement in Indonesia:

- The Commercial Court has been given the jurisdiction to issue orders to suspend suspected counterfeit goods. Previously it was the District Court that had this authority. This amendment brings the Customs Law in line with Indonesia's IP laws generally.
- The government has indicated that it will put in place the long awaited implementing regulations for court ordered suspension of suspected counterfeit goods. The absence of these regulations has long been a stumbling block for IP rights holders seeking to prevent the import or export of counterfeit goods. The regulations are expected to be in place by the end of 2007.
- The border control provisions relating to IPR in the revised Customs Law remain limited to trade mark and copyright infringements. Design and patent infringements are not covered.
- The smuggling provisions in the Customs Law have also been

continued on the next page

strengthened. This may be relevant to IPR holders in certain cases.

Kosovo: establishment of PTO imminent

Kathryn Szymczyk and Slobodan Petosevic, SD Petosevic, Belgrade

An independent PTO may be established in Kosovo as early as this spring. The Law on Amendments and Additions to the Patent Law was recently passed and has entered into law, which gives authority to the Ministry of Trade and Industry to establish the PTO.

Officials in the Ministry of Trade and Industry have indicated that, once the PTO is established, holders of Serbian registrations will have twelve months to revalidate their registrations in Kosovo. Requests for revalidations must be accompanied by documents evidencing a valid Serbian registration.

In the meantime, the enforcement of IP rights in Kosovo continues to be possible through a combination of creativity and persistence. A division within the UN Mission in Kosovo (UNMIK), the Political Economic Crime and Corruption Unit, recently pledged its assistance to trade mark owners battling infringement in the region. UNMIK customs also continues to be very helpful in providing what assistance it can.

Mexico: the three letter rule for pharmaceutical trade marks

Sergio L. Olivares, Jr., Olivares & CIA, Mexico City

Mexican trade mark examiners have adopted a practice which allows the registration of similar pharmaceutical trade marks as long as they have at least three different letters. This criterion was adopted to reflect the Mexican Health Law, under which a health product registration will be granted if the product names have at least three different letters.

The Health Law is not binding on Mexican trade mark examiners, and the practice in relation to pharmaceutical trade marks been adopted primarily for consistency. However, it is only one criterion to be considered, and there may be exceptions on a case by case basis.

Montenegro: update on intellectual property laws

Ignacio Lazaro and Kathryn Szymczyk, SD Petosevic, Brussels and Belgrade

The Union of Serbia and Montenegro separated in June 2006, and much remains to be done to disentangle the ties between the two countries. Montenegro has not yet introduced its own intellectual property laws. In the meantime, the laws of the former Union of Serbia and Montenegro continue to apply. Further, Montenegro has not established its own

PTO and it appears that the IP rights validly registered at the Serbian PTO (both before and after the dissolution of the Union) are enforceable in Montenegro.

An independent Montenegrin PTO is expected in early 2007. It remains unclear whether existing applications and registrations at the Serbian PTO will simply be copied, revalidated or optionally confirmed.

Montenegro has its own regulations regarding the enforcement of IP rights and customs measures against goods suspected of infringing IP rights. An application for the enforcement of IP rights must therefore be made separately for Montenegro, even though the application will be based on IP rights registered at the Serbian PTO.

It is now possible to designate Montenegro (ME) in a new application for an IR under both the Madrid Agreement and the Madrid Protocol.

WIPO officials have confirmed that it will shortly be possible to obtain protection ('continuation of effects') for an International Registration (IR) in Montenegro under certain circumstances. Where a successor state (Montenegro) has acceded to the WIPO treaties, every holder of an IR designating the predecessor state (Serbia and Montenegro) will receive a notice from the International Bureau. The notified holder need only file a request for continuation of effects of the IR in the successor state with the International Bureau, along with the requisite fee, within six months of receiving the notice.

Taiwan: trade mark not infringed by undestroyed seconds

Ruey-Sen Tsai, Lee and Li, Taipei

Trade mark owners sometimes put trade marked goods that do not meet their quality control requirements on the market at a reduced price. More frequently, however, in order to protect their commercial reputations, trade mark owners destroy such goods by themselves or through a contractor, to prevent them from reaching the market. In some cases, defective goods earmarked for destruction are not destroyed, and actually reach the market. The courts hold differing opinions as to whether the sale of defective goods that were condemned but not destroyed constitutes trade mark infringement.

In a recent criminal judgment, the Taipei District Court held that the sale of products that bear a trade mark with the consent of the trade mark owner is not trade mark infringement, regardless of whether the trade mark owner subsequently withdraws consent to the

goods being sold. Even if the goods are defective, their sale does not infringe the trade mark registration.

Taiwan: does overproduction infringe trade marks?

Ruey-Sen Tsai, Lee and Li, Taipei

Under the Taiwanese Trademark Act, the use of a mark identical or similar to a registered trade mark on the same or similar goods or services without the consent of the trade mark owner would constitute trade mark infringement. However, there is much disagreement in practice as to whether a trade mark is infringed if the quantity of goods manufactured under a licence exceeds the quantity authorised by the trade mark owner.

The Kaohsiung District Court and the Taipei District Court have held in separate criminal judgments that if the purpose of overproduction is to provide a reserve to replace defective items, and the quantity or proportion of such overproduction is within the bounds of what is customary in the industry concerned, then it will not constitute trade mark infringement. These cases involved golfing accessories and stationery items respectively. The courts determined that overproduction by 2 to 3% above the authorised quantity was a reasonable amount, and therefore did not infringe the trade marks concerned.

It appears that if the overproduced goods are offered for sale rather than being held as a reserve for replacing defective goods, the courts are still likely to find infringement. To avoid possible disputes arising out of overproduction, these issues should be thoroughly addressed in trade mark licensing agreements.

Taiwan: sales outside licensed area violate Trademark Act

Ruey-Sen Tsai, Lee and Li, Taipei

The Trademark Act is silent as to the legal effect of a licensee violating a provision of a trade mark licensing agreement that restricts the use of the trade mark to a specific geographical area. It has been a matter of great dispute in practice whether the violation of such a contractual provision is a breach of contract only, or whether it also amounts to infringement of trade mark.

In a recent civil judgment on appeal, the Taiwan Supreme Court held that where a licence is granted for a trade mark to be affixed only to goods destined for export sale, and goods bearing the trade mark are sold within Taiwan without the consent of the trade mark owner, such sales constitute trade mark infringement.

PROFILE: Peter Dirk Siemsen

Peter, lawyer and industrial property agent, is the Senior Partner at Dannemann, Siemsen, Bigler & Ipanema Moreira and Dannemann Siemsen Advogados. He was born in Rio de Janeiro, Brazil, graduated at the University of the State of Rio de Janeiro and admitted to the Brazilian Bar in 1955. He is the Founder and President of Honour of the Brazilian Intellectual Property Association (ABPI) and of the Asociación Interamericana de la Propiedad Industrial (ASIPI); Honorary Counsel of FICPI; Member of the Brazilian Industrial Property Agents Association (ABAPI); Member of Honour and Ex-President of AIPPI; and member of the following organisations: INTA; AIPLA; ITMA; IPIC; ABA; GRUR; LIDC; ECTA; MARQUES; ATRIP; LES; Vice-Chair of the Commission on Intellectual Property of the ICC; and Panelist of the Arbitration and Mediation Center of WIPO; Member of CAS (Court of Arbitration for Sport). He is the author of various articles published on industrial property and transfer of technology and, when not working, enjoys yacht racing.



Where were you brought up and educated?

Rio de Janeiro, Brazil.

How did you become involved in trade marks?

I began work as a Draftsman for Patent Drawings.

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

I really do not know because I started acting at Patents when I was 17.

Which three words would you use to describe yourself?

Persistent, energetic and sociable.

Complete the sentence: I'm no good at ...

Playing any musical instruments.

What's the best thing about your job?

That it is Juridical, Technical, International and Political.

What did you want to be as a child?

I did not know what I wanted to be.

What is your favourite work of art?

The sculptures of my mother, one being the symbol of my office.

What is the soundtrack to your life?

My Way.

What do you wish more people would take notice of?

Poverty in the world.

What is the best age to be?

Each age has good and bad moments.

What is your philosophy in a nutshell?

Live your life as much as possible.

What's the toughest thing about your job?

Keeping quality on top.

What music is in the CD player in your car / what is your iPod set to at the moment?

Rio Carnival music.

Which sport do you play and/or enjoy?

Yacht racing.

What is your favourite food dish?

Feijoada (Black bean cassoulet).

What is your favourite drink?

Champagne.

What is your favourite item of jewellery?

Wristwatch.

What's your favourite mode of transport and why?

Airplane - no telephone, no fax, no e-mail.

What's the best invention ever?

Aspirin