Law Lore & Practice

PTMG Pharmaceutical Trade Marks Group

July 2009

Editorial

Whilst settling down to write this Editorial, I hear on the radio that the World Health Organization has raised the pandemic alert from level 5 to 6 for the swine influenza outbreak, with a confirmed 30,000 cases in 74 countries around the globe. As the Southern hemisphere moves into its winter season, concerns are growing for young people, not normally targetted by seasonal influenza.

The WHO Director-General, Dr. Margaret Chan, writes on their website that 'the virus writes the rules' but reassuringly informs us that vaccine manufacturers will soon be working to full capacity exclusively on the H1N1 vaccine.

Interestingly, Dr. Chan also points out that never before have we had so much information about a pandemic so early on, certainly insofar as global data gathering is concerned. As with every breaking news item, we are now informed almost instantaneously as the situation evolves.

However, it is certain that whilst the information channels are better equipped to monitor such a pandemic, the actual contagion of the virus is far less easily managed than ever before. Last century, pandemics spread around the world on an average time span of 6 to 9 months when travel, international or otherwise, was by ship or rail. In today's world, everything, including pandemics, moves around the globe faster.

Putting all this into perspective though, the human race has a remarkable capacity for survival, if only to quote some figures. The so-called Spanish 'flu of 1918/19 killed between 20 and 40 million people, more than during the entire Great War and more than during the four year long bubonic plague of 1347 to 1351.

No pandemic is to be taken lightly and governments are right to take measures to limit any contagion, specifically to protect the most vulnerable members of the population. However, it is to be hoped that this time round, our state-of-the-art techniques and high speed highways of all types enable public health bodies to offer the right prevention and treatment for us all, thereby proving a positive result of globalisation.

Vanessa

Inside this issue . . .

Advertising of medicinal products by third parties

Maureen Daly, Beauchamps Solicitors, Dublin

Companies or individuals who promote the prescription, supply, sale or consumption of a medicinal product should note that their actions could constitute an advertisement under Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 of the Community Code relating to Medicinal Products for Human Use (as amended). This is according to a decision of the European Court of Justice (ECJ) in a reference for preliminary ruling by a Dutch court in criminal proceedings against Frede Damgaard C-421/07. The background to the case is as follows.

Frede Damgaard, a Danish journalist, published information on a Danish website about the product, HYBEN TOTAL. He stated that the product contained rosehip powder, which purportedly relieves pain caused by various types of gout, and that it was available for sale as a medicine in Sweden and Norway. The product was prohibited in Denmark as it lost its medicinal licence in 1999, thereby leaving the product to be sold as a 'food supplement'.

In Denmark, advertising an unauthorised medicinal product is an offence. The publication by Damgaard on his website of information relating to HYBEN TOTAL was, according to the Danish Agency for Medicinal Products, an advertisement prohibited under Danish law. Criminal proceedings were instituted against Damgaard and he was found guilty and sentenced to a fine. Damgaard appealed the judgment to the Vestre Landsret (Western Regional Court, Denmark) arguing that he was not employed by the manufacturer of HYBEN TOTAL and had no interest in the company or sales of the product. He claimed that his activities as a journalist in the health food sector were limited to communicating information on food supplements to retailers and other interested parties. Damgaard did not receive any remuneration from the manufacturer for the information that was disseminated. The Danish Public Prosecutor argued that the dissemination of information was aimed at encouraging consumers to buy the product irrespective of whether there was a link between Damgaard and the manufacturer/seller of the product. In the circumstances, that activity constituted 'advertising' within Article 86 of the Directive and was therefore prohibited since the marketing of HYBEN TOTAL was prohibited in Denmark.

Damgaard argued that the information on his website did not constitute advertising within the meaning of Article 86 as 'that concept must be construed more narrowly, that is, as not covering door-to-door information effected by an independent third party'.

The proceedings were stayed following the referral of the following question to the European Court of Justice (ECJ) for preliminary ruling: 'Is Article 86 of Directive 2001/83…to be interpreted as meaning that dissemination by a third party of information about a medicinal product, including in particular information about the medicinal product's therapeutic or prophylactic properties, is to be understood as constituting advertising, even though the third party in question is acting on his own initiative and completely independent, *de jure* and *de facto*, of the manufacturer and the seller?'

ECJ decision

Under Article 87(1) of the Directive, advertising of a medicinal product is prohibited if a marketing authorisation has not been granted for the product in accordance with Community law. Under Article 86(1), 'advertising of medicinal products' is defined as 'any form of door-to-door information, canvassing activity or inducement designed to promote the prescription, supply, sale or consumption of medicinal products'. It is interesting to note that the definition does not indicate or make any reference to the people who disseminate the information and so, the Directive does not rule out the possibility that a message from an independent third party can constitute advertising. The objective of the Directive is to safeguard the public health but the Directive does not require a message to be disseminated in the context of a commercial activity in order for the message to be held to be advertising.

The ECJ stated that the situation of the author of a communication and in particular, their relationship with the manufacturer/distributor (of the medicinal product) is a factor which must be evaluated together with other circumstances such as the content of the message.

In relation to Damgaard's argument alleging infringement of his right to freedom of expression as a result of his criminal conviction, ECJ stated that, according to settled case law, 'fundamental rights form an integral part of the general principles of law, the observance of which the Courts ensures'. However, while the principal of freedom of expression is recognised by Article 10 of the European Convention for the Protection of Human Rights and Fundamental Freedoms, that freedom of expression is subject to certain limitations justified by objectives in the public interest. The ECJ stated that if the information disseminated on Damgaard's website was found to constitute "advertising" for the purposes of the Directive, his conviction could be considered reasonable and proportionate in light of the protection of public health.

In response to the question raised, the ECJ stated that Article 86 is to be interpreted as meaning that 'dissemination by a third party of information about a medicinal product, including its therapeutic or prophylactic properties, may be regarded as advertising within the meaning of that article, even though the third party in question is acting on his own initiative and completely independent, *de jure* and *de facto*, of the manufacturer and seller of such a medicinal product'. It is now a matter for the Danish court to determine whether the dissemination of the information relating to the HYBEN TOTAL by Damgaard constituted 'a form of door-to-door information, canvassing the activity or inducement designed to promote the prescription, supply, sale or consumption of medicinal products'.

Comment

The above decision could have implications for companies and journalists that publish information that promotes unauthorised medicinal claims about a product as it may be construed to be illegal product marketing. In the circumstances, companies/journalists should review their materials/writings otherwise they may end up in (legal) difficulties. The time to act is now!

Internet pharmacies - benefit or burden?

Emily Peters, Bird & Bird (London)

There has been an exponential growth in internet pharmacies since the launch of the first authorised United Kingdom (UK) online pharmacy, www.Pharmacy2u.co.uk, on 22 November 1999. This has been accompanied by a growth in parallel trade and an increase in rogue websites selling counterfeit, sub-standard or out of date pharmaceuticals. Online pharmacies can be based anywhere in the world and are a means by which sellers can access consumers in the UK. They can therefore provide a means for rogue sellers to place goods onto the UK market under a trade mark without the consent of the proprietor and also to sell goods without the relevant UK regulatory and/or quality standards in place.

The regulatory regime

The general legal framework for internet business applies equally to online pharmacies as to other businesses selling goods on the internet, including the Distance Selling Directive 97/7EC and the Electronic Commerce Directive, implemented in the UK by the Electronic Commerce (EC Directive) Regulations 2002. The Department of Health considers internet pharmacies to be a mail-order business like any other which receives and fulfils orders remotely. The Electronic Commerce Directive lays down a general 'country of origin' principle designed to encourage the free flow of online services within Europe: a Member State cannot in general impose restrictions on online services emanating from another Member State. However, it is subject to derogations for measures taken against particular services on limited grounds set out in the Directive. One of the grounds for derogation is protection of public health. The online aspects of an internet pharmacy's business, such as advertising by means of the website, will fall within the E-Commerce Directive. While the related supply of physical products does not do so, that will nevertheless be subject to the general European Union (EU) rules on freedom of movement of goods.

In order to legally trade as an online pharmacy in the UK, the internet pharmacy must fulfil additional regulatory requirements. This includes being entered on the register of the Royal Pharmaceutical Society of Great Britain (RPSGB) and fulfilling the requirements of the Medicines (Pharmacies) (Applications for Registration and Fees) Regulations 1993. Legitimate online UK pharmacies must be associated with a physical pharmacy and as such if they wish to provide NHS services they must be admitted to the pharmaceutical list of the Primary Care Trust in which the premises are located. Rogue sites often do not meet any of these requirements, meaning that the risk of a consumer purchasing counterfeit, substandard or out of date products is higher.

The Medicines and Healthcare Regulatory Authority (MHRA) Enforcement Team continually monitors sites selling pharmaceutical products, focussing on those selling prescription-only medicines. The Enforcement Team can take action against rogue pharmacies based within the UK; however, it does not regulate online pharmacies located outside the UK. Where the Enforcement Team identifies a rogue online pharmacy located outside the UK, it reports this site to the relevant regulatory body of the country of origin of that pharmacy. Therefore unless the regulatory body in the country in which the online pharmacy is based takes action, such sites can continue to reach consumers in the UK without the relevant regulatory approvals in place.

In *Deutscher Apothekerverband eV v 0900 DocMorris NV C-322/01*, the European Court of Justice (ECJ) considered the advertising that online pharmacy sites could display in addition to the regulatory standpoint of whether member states could prohibit certain categories of pharmaceutical being sold across borders via such an online pharmacy. It was recognised that products without a marketing authorisation in the country of delivery could not be supplied there. It was further recognised that a Member State could prohibit internet sales of prescription pharmaceuticals since this could lead to harmful consequences arising out of confusion caused by labelling, particularly where this is in other languages. The UK authorities have taken a liberal approach to online sales of pharmaceutical and have not sought to restrict online sales of prescription pharmaceutical products provided the internet pharmacy adheres to the code of the RPSGB.

However, rogue sites are often in breach of the RPSGB rules and may supply grey market, counterfeit or substandard goods as well as prescription-only goods to consumers without requiring a prescription. Such goods may also have been repackaged by the rogue trader prior to import leading to a potential for error all of which can endanger customers' health and damage brands.

A large number of packs of pharmaceuticals sold by parallel traders are either repackaged or relabelled and may also have been opened to insert an alternative patient information leaflet. Such parallel trade, which brings an inherent risk to patient safety, can also provide a weak point where counterfeiters can target the distribution chain and exploit the reduced transparency resulting from parallel trade. A large number of counterfeit prescription medicines reach the market through online sales with very few being supplied through healthcare services. Any such repackaging or relabelling is capable of damaging the reputation of brands. Rogue sites often parallel import and repackage products without fulfilling the conditions set out in *Bristol-Myers Squibb v Paranova AS* (Joined cases C-427/93, C429/93 and C-436/93) as recently interpreted by AG Sharpston in *The Wellcome Foundation Ltd v Paranova Pharmazeutika Handels GmbH* (C-276/05) and as also interpreted in *Boehringer Ingelheim KG and others v Dowelhurst Ltd* [2008] EWCA Civ 83, 21. This would consequently constitute trade mark infringement.

The trade mark position

Where rogue sites are advertising and selling counterfeit or unlawful grey market goods, then as well as the regulatory position already described the question of trade mark infringement will come into play. This involves considering the cross-border aspects of trade mark infringement on the internet.

Websites by their nature can be accessed by any user anywhere in the world. It is established case law that the fact that a website can be viewed by users in a particular jurisdiction does not necessarily mean that such website is trading into that jurisdiction. Use of a trade mark on a website will constitute use of that mark in the UK where the website is directed at the UK (*Euromarket Designs Inc v Peters and Crate & Barrel [2000]* All ER (D) 1050). A website will be directed at the UK where the average consumer of the goods or services offered through that website would regard the website as being aimed and directed at them (*Dearlove (trading and professionally known as 'Diddy') v Combs (trading and professionally known as 'Sean "Puffy" Combs', 'puffy' and 'P.Diddy')* [2007] All ER (D) 367). However, the website must be more specific in targeting a particular country than providing commercial information of a general kind.

In assessing whether a website is in fact aimed and directed at the UK, all the material circumstances will be considered including the nature of the goods and services offered, the appearance of the website, whether it is in fact possible to purchase goods on the website and if so can they be delivered to consumers in the UK. The determinative factors for each

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case are likely to turn on the specific facts of that case. Some of the features which a website targeting the UK would be likely to display were considered in detail in *Dearlove v Combs* (above) and also in *KK Sony Computer Entertainment and another v Pacific Game Technology (Holding) Ltd* [2006] All ER (D) 208. In the latter case the Court considered some of the relevant features to be the language, the currency of the prices, customer testimonials and the availability of manuals in English. However, although these features provide useful guidance as to the approach that the Courts may take, the analysis will be specific to the facts of each case.

Where the default language of the site is English and the prices, including both standard and promotional prices, are in pounds sterling, this is likely to be an indication that the site is targeting the UK. In a number of cases, internet pharmacy sites have a choice of language settings and on selection of the appropriate language, all pricing on the site changes to the currency of the particular country selected. This is likely to be one of the factors to consider in demonstrating that a particular site is targeting the UK. Additionally, the use of a country specific top level domain such as '.co.uk' for the UK or '.ie' for Ireland is a further factor contributing to the identification of where the website is targeted.

The fact that there is no trading presence in the UK or that title to the goods passed to the customer abroad was considered on the balance of the analysis by the Court in *Sony* to be insufficient to avoid a finding that the website was directed at the UK. The Court in Sony held that it would be nonsensical to permit intellectual property rights to be avoided in the EEA by locating a website outside the European Economic Area (EEA) which is targeted at the EEA.

Identification and enforcement

The problems of enforcement are the same as those encountered in relation to all internet trade, namely identification of the infringing party and then enforcement of any Court order obtained. These problems will also differ depending on whether the proceedings are criminal or regulatory (e.g. in relation to marketing authorisation), or civil (e.g. trade mark infringement).

Identification of the proprietor of a rogue website can be problematic as such sites often use a privacy service on registering their domain name. This hides the identity of the proprietor on carrying out a 'whois' search. The providers of such privacy services will generally have a procedure to follow should a party require disclosure of their customer's information for legal proceedings. However, this procedure will often require that a court order is obtained in order to elicit disclosure of the required information from the privacy service provider.

Large numbers of rogue internet pharmacies which trade into the UK reside in other jurisdictions. This presents the difficulty of enforcement and considering whether and how it is possible to effectively enforce the judgment of a UK Court against infringers located in other jurisdictions, particularly those outside the European Union.

The manner in which the proprietor of a rogue online pharmacy can be held to account for sales via its website differs according to whether regulatory enforcement or trade mark infringement proceedings are pursued. As outlined above, the Enforcement and Intelligence Group of the MHRA carries out regulatory enforcement. It has a range of enforcement options available to it including both criminal and civil routes as well as issuing warning or prohibition notifications or forfeiture under the Consumer Protection Act 1987.

The RPSGB has taken steps to offer a measure of protection to consumers by requiring online pharmacies to be registered with the RPSGB and to display an Internet Pharmacy Logo. The RPSGB launched the Internet Pharmacy Logo in January 2008 which displays the RPSGB registration number of the pharmacy and provides a link to the RPSGB page enabling consumers to check the legitimacy of the particular pharmacy. However, this approach relies heavily on consumer education for its effectiveness and does not assist in removing the capability of rogue online pharmacies from selling into the UK.

Bad faith: case note on Lindt & Sprüngli v Hauswirth

Bill Ladas, Senior Associate, SJ Berwin, London

In *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* the European Court of Justice (ECJ) has handed down its first decision on the Article 51(1)(b) of Council Regulation No 40/94 of the Community Trade Mark (CTM), which provides for a CTM to be declared invalid 'where the applicant was acting in bad faith when he filed the application for the trade mark'.

The Lindt case

Lindt and Hauswirth are competitors, both with a history of sales of chocolate bunnies in Austria. In 2000, Lindt obtained a Community Trade Mark registration for a shape mark (with a red ribbon, a bell, and the Lindt logo on the side), covering chocolate and goods of chocolate in class 30.

Lindt subsequently brought trade mark infringement proceedings against Hauswirth in the Handelsgericht (Commercial Court) in Vienna. Hauswirth counter-claimed that Lindt's registration was invalid as the application for it had been made in bad faith. The basis of this allegation was that Hauswirth had been using a similar sign for chocolates, and that Lindt's intention in filing its application was to prevent such use.

Following an appeal to the Oberster Gerichtshof (Austrian Supreme Court) a reference was made to the ECJ for guidance in relation to the bad faith ground.

The ECJ's decision

The ECJ, as it commonly does, began by making a general comment that the issue of whether an applicant is acting in bad faith 'must be the subject of an overall assessment, taking into account all the factors relevant to the particular case'.

In relation to the particular factors referred to by the referring Court in Lindt, the ECJ held that the registered owner's knowledge of third party uses of a similar sign was a relevant factor but was not sufficient in itself for a finding of bad faith. The intention of the registered owner was also a factor to be taken into account. This is a subjective issue judged by reference to the objective circumstances. Where it is the sole objective of the applicant to prevent a third party from entering the market, and it becomes apparent subsequently that the applicant did not intend to use the mark, there may be a finding of bad faith.

Having said that, the ECJ recognised that it may still be possible in such circumstances for a registration to be sought in pursuit of a legitimate objective.

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Finally, the nature of the mark itself must be considered. Where the mark consists of the shape and presentation of the product (as here), and the freedom of competitors in shape and presentation of their own products is restricted (by technical or commercial factors), bad faith will more readily be established.

Bad faith and pharma marks

Bad faith has traditionally been seen as a narrow concept, particularly in the UK.

It is too early to tell whether the general comments of the ECJ will see greater scrutiny given to CTM registrations, for example in cases where a CTM has not been put to use following registration, but where it is not yet vulnerable to revocation.

Such a broad approach to bad faith would be of particular concern for pharmaceutical companies who must file applications well in advance of use, as regulatory approval may take many months or even a number of years. It may be that the overall approach adopted by the ECJ would remove the bad faith invalidity risk through consideration of objective factors such as the regulatory process.

Nevertheless, brand owners in the pharmaceutical field should be aware of the risks posed by this ground, and should ensure that potential bad faith issues are considered across all contexts, including during the clearance process and in due diligence projects for the acquisition of third party rights.

Further guidance on this issue, in the context of regulatory approvals, may be provided by the Court of First Instance in its forthcoming decision in Case T-280/07: *Sepracor v OHIM - Laboratorios Ern (LEVENIA)*, dealing with the separate but related issue of 'proper reasons for non-use' in revocation actions.

Members News

New Members

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

Ugur Aktekin and ***Baris Kalayci*** of Mehmet Gun & Partners, Kore Sehitleri Caddesi, No:17 Zincirlikuyu 34394 - Istanbul, Turkey

Michelle Ng of Donaldson & Burkinshaw, 24 Raffles Place, #15-00 Clifford Centre, Singapore 048621

Susie Arnesen of Sandel, Loje & Wallberg, PO Box 9006, Frederiksgade 7, DK - 1265 Copenhagen K, Denmark

Fatima Al Heyari of United Trademark & Patent Services, Suite 7, 2nd Floor, Chicago Building, King Hussein Street, Al Abdali, Amman, Jordan

Rebecca Halford-Harrison of K&L Gates LLP, 110 Cannon Street, London, EC4A 6AR, UK

Jackie Tolson of Potter Clarkson LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DD, UK

Laura Collada of Dumont Bergman Bider & Co SC, Av. de los Insurgentes Sur No. 1898, PH, Col. Florida, 01030 Mexico City, Mexico

Frederique Potin of Simmons & Simmons, 5 boulevard de la Madeleine, 75001 Paris, France

Maribeth Case of GlaxoSmithKline, Five Moore Drive, PO Box 13398, Research Triangle Park, NC 27709-13398, USA

Gatis Merzvinskis of Patent and IP Law Bureau "Petersona Patents", PO Box 61, LV-1010 Riga, Latvia

Susanne Besson and ***Andrea Schachner*** of Bayer AG, BBS-LP-TM, Building Q26, 51368 Leverkusen, Germany

Jussi Mikkola of Papula-Nevinpat, Mechelininkatu 1, 00180 Helsinki, Finland

Romain Viret of Linklaters LLP, 25 rue de Marignan, 75008 Paris, France

Mark Mutterperl of Fulbright & Jaworski LLP, 666 Fifth Avenue, New York, NY 10103, USA

Catherine McGirr of Avantiq, 387 route d'Arlon, L-8010 Strassen, Luxembourg

Katie Richards of FairWinds Partners LLC, Ottikerstrasse 25, CH 8006 Zurich, Switzerland

Kathy Wright of Astellas Pharma Europe Ltd, Lovett House, Lovett Road, Staines, Middlesex TW18 3AZ, UK

Ozlem Meric of Abu-Ghazaleh Intellectual Property, Tunus Cad. No:15/4, 06680 Kavaklidere, Ankara, Turkey

Roy Melzer of Ehrlich & Fenster, Ayalon Tower, 15th Floor, 11 Menachem Begin Street, 52 521 Ramat Gan, Israel

Mark Schonfeld of Burns & Levinson LLP, 125 Summer Street, Boston, MA 02110, USA

Elka Stegeman of Novagraaf Nederland BV, PO Box 22722, 1100 DE Amsterdam, The Netherlands

Claus Marcussen of Awapatent A/S, Rigensgade 11, 1316 Copenhagen K, Denmark

Henry Wheare of Lovells, 11/F, One Pacific Place, 88 Queensway, Hong Kong

Astrid Hannich-Walter of Boehringer Ingelheim GmbH, CDept Trademarks & Unfair Competition, 55216 Ingelheim am Rhein, Germany

Christine James of Kilpatrick Stockton LLP, 1100 Peachtree Street, Suite 2800, Atlanta, GA 30309-4530, USA

Jandan Aliss of Hallmark IP Limited, 1 Pemberton Row, London EC4A 3BG, UK

Moves and Mergers

Udo Pfleghar has left Boehringer Ingelheim GmbH to join Freitag & Best of Industriepark Hoechst / E416, D-65926 Frankfurt-am-Main, Germany

Peter Sloane has now joined Leason Ellis LLP, 81 Main Street, Suite 503, White Plains, New York 10601, USA

Ira Levy (whose whereabouts we were seeking in the last edition of *LL&P*) can be found at Goodwin Procter LLP, The New York Times Building, 620 8th Avenue, New York, NY 10018, USA

Rossana Ferrari has left Pons Patentes y Marcas SL to join J.M. Toro SL of C/ Viriato 56, 28010 Madrid, Spain

Richard W Young, formerly with Gardner Carton & Douglas LLP, is now with Quarles & Brady LLP, 300 North LaSalle Street, Suite 4000, Chicago Illinois 60654-3422, USA

Pieter van der Wees has left Vereenigde to join Shieldmark Zacco of PO Box 75683, 1070 AR Amsterdam, The Netherlands

Art Silverstein, formerly Head of Trade Marks at Pfizer, has established his own firm along with Ronald Shapiro and can now be contacted at Shapiro & Silverstein PLLC, 11350 Random Hills Road, Suite 740, Fairfax, Virginia 22030, USA

Where are they now?

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

Mr Kojima of Websourcing Inc., Tokyo, Japan

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

PTMG Spring Conference Report
Industry meets institutions

Arty Rajendra and Edward Hardcastle, Rouse, UK

Day 1

Sue Evans commenced proceedings with her customary rousing welcome particularly as we were in her home country – famed for its stunning alpine background, celebrated cafes and culture. There was, however, a warning that participants were not allowed out to indulge in such pursuits. Instead, we could look forward to a great programme on the doorstep of WHO and WIPO. Despite the delights on offer in Geneva we stayed in the InterContinental hotel as we were treated to high level speakers talking frankly and openly about the trade mark issues of the day. The key theme we took from the conference was the need for clarity in these uncertain and confusing times.

The first speaker was ***Francis Gurry*** of WIPO who gave the (dearly missed) Alan Cox Memorial Lecture. Francis started with his view that the global IP system was under stress because of the combined effect of global economic behaviour, global use of technology and global social behaviour. He catalogued various stresses, namely the territorial model, as seen in the struggling patent system (noting a 3.5 million backlog at Patent Offices), legislative stresses, conflicts of laws, parallel imports and private international law.

When discussing the problem of counterfeiting, Francis questioned why we had such a scourge. His view was that there was an opportunity being exploited by counterfeiters resulting from the globalisation of markets. He urged IP owners to analyse why the counterfeiters could exploit such opportunities and seek to use those opportunities to their own advantage.

Another stress which arises is the danger of the technological redundancy of the current IP model. In relation to copyright, 40 billion files were illegally downloaded on the internet last year. The film, music and media industries are suffering. However, some businesses are exploiting the situation; Francis praised the New York Times and The Guardian for recently putting their entire back catalogues on the Internet for anyone to access for free. They have quickly become known as useful repositories of information and the feedback from users of the back catalogue service is being used by both businesses to structure the way they deliver news in the future.

Francis commented on the transition from a system that focused on title, with IP Registries acting as the gate-keepers of IP rights to one where it is use, what is happening in the actual marketplace, that matters. Open source and user-driven innovation is, he believes, a result of this more use-based focus. Francis also believes there will come a time when 'green technologies' are treated in the same way as life-saving medicines and believes that we can learn lessons from the way in which the pharmaceutical industry has dealt with the issue of access to medicines.

While the 20th century was about cleaning up old IP problems, in the 21st century Francis recommended we look at global IP solutions. He appeared to be lending support to the WHO IMPACT initiative by suggesting that the problem of counterfeiting is too large and too abstract to be dealt with at an all-encompassing level and suggested looking at it in industry segments.

The next speaker was ***Verena von Bomhard*** of Lovells who said that speaking at PTMG was a greater honour than being knighted! She informed us that her talk was designed to 'keep us up to date with all that stuff'! Verena's talk covered issues ranging from the fraudulent completion of US statements of use, genuine use on merchandise and by not-for-profit organisations, parallel imports, and the (whisper it) interference with the essential function of a trade mark. Verena gave a detailed and interesting analysis of recent case law relating to the protection of weak elements in trade marks.

We then retired to prepare ourselves for the eagerly awaited and, as usual, wonderful cocktail reception and gala dinner, this year held at Geneva's Grand Theatre. Before dinner we were tantalised with details of next year's Spring conference. When Sue Evans mentioned that the location had a world famous football team, we immediately booked our flights to Manchester. However, there were a few disgruntled MUFC fans in the audience when Sue finally revealed the location of the spring conference as Liverpool!

Day 2

Our welcome into the conference room on Day 2 was without fanfare as befitted a full and interesting programme (and gently welcomed by those who had enjoyed the bar in to the small hours). We were soon all fully awake as the first speaker of the day, ***Peter Lawrence*** of OHIM, mentioned that OHIM had a staggeringly large reserve of unspent cash totalling around 250m Euro. He encouraged the audience to come up with suggestions and feedback as to how OHIM could use the money. He asked that input should be given which is evidence not anecdote based and be clear, vocal and consistent. He told the audience that this was a great opportunity to influence the running and practice of OHIM and should not be passed up lightly.

Peter was the first to speak publicly of the now-well-known and implemented fee reductions. The size of the reductions came as quite a surprise to many. Peter thought that Registries in some member states may be feeling threatened by the reduction as official fees for a CTM neared official fees for national applications. Peter also talked about the new technical co-operation fund which has 50m Euro at its disposal and a 50m Euro contingency reserve being kept by OHIM.

Our second speaker of the day was ***Stephen James*** of RGC Jenkins who gave a comprehensive analysis of recent class 5 oppositions. The underlying theme of Stephen's talk was that OHIM appear to be treating pharmaceutical trade marks differently from trade marks in other classes and will require a higher degree of similarity between two pharmaceutical trade marks to show confusion than for non-pharmaceutical marks. Stephen felt strongly that this was wrong; after all most pharmaceutical trade marks are generally invented names and should therefore have a high degree of distinctiveness affording them wider protection. Stephen also gave a rundown of the recent cases involving suffixes.

Rafaella Balocco Mattavelli of WHO and ***Marcus Hopperger*** of WIPO gave us an update on the latest developments in INNs. Rafaella was particularly pleased that her group at the WHO recently received recognition from the WHO Director General for their name-assigning work. She gave us an outline of the organisation, a history of the INN programme composition and their interrelationship with other WHO departments.

She mentioned that if there was no consensus amongst the Expert Group on a new INN, they could call upon other experts. Rafaella also mentioned that there is an INN Advisory Group for Biologicals, as it's such a specialised field. She reminded the audience that the use of INN stems in trade marks is discouraged.

Rafaella emphasised to the audience the challenges faced by the naming group.

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First, there needs to be improved collaboration between local drug regulatory authorities to prevent the misuse of INNs. Secondly, they need to work towards making INNs more user friendly and avoid unpronounceable names which discourage the use of a generic name.

Michael Silverleaf, QC, of 11 South Square gave us a presentation on comparative advertising that fully reflected the complexity of the decisions by the ECJ in this area. He started by noting the apparent variances of approach in the EU towards comparative advertising. In the UK, the Judges seem to be permissive, whereas German Judges seem to take a completely opposite approach. He outlined just how broadly the ECJ will interpret the concept of comparative advertising. The Malheur case was of particular interest because there had been no explicit comparison made by the defendant, merely an allusion that its beer product was made by a method traditionally used by champagne houses. In order for there to be comparative advertising, there must be a competitive relationship between the goods/parties. Michael asked the audience whether beer could be substituted for champagne. Overwhelmingly the answer was no, confirming the PTMG audience as discerning (champagne or beer!) drinkers.

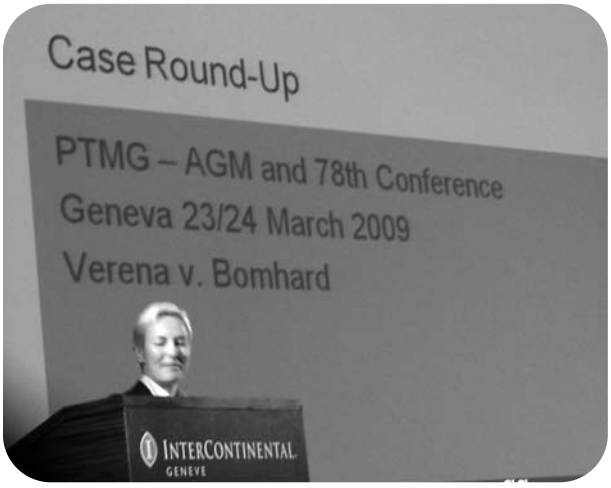
Michael briefly reminded the audience of the ECJ and English Court of Appeal's decision in the O2 case. He then went on to the L'Oreal case in which Defendant had used a comparison list in order to sell its look-alike perfumes. Michael then had the unenviable task of leading us through the AG's Opinion – which is widely regarded by commentators as unintelligible in any of the languages in which it has been published. However, to sum up and paraphrase, Michael's question is: 'Has the ECJ abandoned any attempt to provide cohesive and sensible guidance on what constitutes comparative advertising by saying that everything is a matter of fact and therefore for the national courts to decide? Everything seems to go on the "too difficult" pile.'

Karla Valente of ICANN gave us an introduction to the ICANN structure and the issue of selection of Registries for the new gTLDs. ICANN will receive USD185,000 from each applicant to run a new gTLD. She indicated that ICANN has widely consulted with industry yet 73% of the business community says it doesn't want anymore gTLDs, to which, in part, ICANN's response was that we need new internationalised domain names so why not have new gTLDs at the same time. ICANN think the new gTLDs are a good idea but they don't know what their impact will be. They hope the new gTLDs will result in greater opportunities for innovation and choice. The audience was not moved.

Nick Wood of Com Laude then asked Karla a number of questions in the style of Michael Parkinson, starting by probing whether ICANN had taken on too many new challenges at a time. The question of whether Registries should be held contributory liable for infringement as suggested by WIPO was raised. Currently ICANN do not believe so, but ICANN will listen to users so if the IP community is vocal about this, there is room for change. (See article on page 8 for an update on the ongoing consultation process.)

Last but not least ***John Breen*** of Interbrand Health gave an insightful presentation on the Regulatory framework for obtaining a good pharmaceutical brand name in either the EU or the USA. He commented on the challenges faced by Industry, in particular the high rejection rates, lack of predictable consistent decisions and non-binding preliminary approvals. He gave us his best practices which are to know your markets, start the process well in advance of launch, evaluate your names prior to submission and, finally, secure back-ups in case of disappointment!

Sue's closing remarks thanked the speakers for an amazing array of presentations and the audience and sponsors for their support. Thanks were also passed on to the organisers who did a sterling job. Finally, Sue wished us *bon voyage* and a safe trip home. See you in Lisbon!



Verena von Bomhard of Lovells and Francis Gurry of WIPO

Left, Nick Wood of Com Laude and Karla Valente of ICANN

Above, Peter Lawrence of OHIM

New gTLDs and new measures to combat abuse

Nick Wood, Managing Director of Com Laude and a member of the IRT

ICANN, the Internet Corporation for Assigned Names & Numbers, has embarked on a process that could see up to 500 new gTLD (generic Top Level Domain) registries created from early 2010 onwards. In five years time, the 250 country code registries of today could be overshadowed by a thousand or more gTLD registries, run by entrepreneurs, by cities, by professional associations and affinity groups. Imagine .berlin, .gay, .sport, .eco or .radio to name but five possible new registries which have announced their bids. Anyone with USD185,000 will be able to apply from the spring of 2010. The business of protecting trade marks in the domain name system will change for ever.

Naturally, the trade mark community is up in arms about this process. Hundreds of organisations and brand owners have submitted comments to ICANN in the past six months emphasising the potentially disastrous impact of the process on intellectual property rights owners. In response, the ICANN Board created an Implementation Recommendation Team (IRT) to consider whether standardised Rights Protection Mechanisms (RPM) could reduce the financial and administrative burden on rights owners.

On 29 May 2009, the IRT, which is composed of 18 experts in on-line rights protection including representatives from Microsoft, Yahoo!, Richemont, Lego, seven international law firms and a law school, published its final report which is currently open for comment prior to consideration by the ICANN Board.

In an Open Letter to readers of the report, the IRT introduces its work, saying: 'Why did 18 people experienced in trademark protection on the internet come together to form the Implementation Recommendation Team (IRT)? What was it that motivated us to spend more than eight working weeks wading through over 900 pages of comment, meeting with a dozen expert witnesses, preparing draft after draft? After all, in attempting to craft a tapestry of interlinked recommendations that we believe are fair to everyone, it might be that we end up pleasing no-one? Was it because we support the concept of the expansion of the gTLD space unreservedly? Hardly. The views of the IRT reflect the views of business and trade mark interests in general. A sizeable number of our team would have preferred status quo with no new gTLDS until better Rights Protection Mechanisms are in place for the existing gTLDs. Others favoured the measured introduction of Sponsored or Community-based gTLDs. Some support the current expansion, seeing the advantages for commerce and the consumer alike in open competition and innovation.'

The final recommendations of the IRT include:

1. An IP Clearinghouse or centralised database of verified IPR to be operated by a neutral provider under contract with ICANN. The IP Clearinghouse will support:
   - Validation of trade mark rights on an annual basis which can be pushed to new gTLD registry operators or pulled by them to support pre-launch RPMs such as Sunrise schemes. This means that rights owners will not have to pay time and time again for the validation of data by registry after registry;
   - A Globally Protected Marks List of 'supernova' trade marks that can justify the term "Globally Protected" by demonstrating registration at a very high number of official trade mark registries. Inclusion on the list will have the effect of limiting third-party applications for (a) top-level domains that match or are confusingly similar to trade marks on the list; and (b) second-level domains that match trade marks on the list;
   - A Pre-Launch IP Claims Service that will notify new gTLD applicants and trade mark owners that a current validated right exists for the identical term being applied for at the second level (similar to trade mark watching services).
2. A set of standardised, minimum protections to be employed by all new gTLD registries to protect rights owners in cases where registry operators decide to use pre-launch RPM other than the IP Clearinghouse. These include Standardised Sunrise Eligibility Requirements (SERs) and a Sunrise Dispute Resolution Policy (SDRP).
3. A requirement for all applicants to describe in detail the RPM they will be offering at point of application .
4. A Uniform Rapid Suspension system (URS) to work upstream of the UDRP, providing 'a low-cost and rapid means for taking down infringing domain name registrations, yet preserving a registrant's right to a hearing and/or appeal'. This could see a domain name frozen by a complainant within a 30 day time frame for as little as $200. As the Report says, 'The URS is not meant to address questionable cases of alleged infringement (e.g. use of terms in their generic sense) or for anti-competitive purposes or denial of free speech, but rather for those cases in which there is no genuine contestable issue as to the infringement and abuse that is taking place'.
5. A variation on a proposal made by WIPO to limit the possibility of systemic abuses by 'bad actor' Registry Operators requiring them to submit to mandatory administrative proceedings where a third-party such as a rights owner has filed a complaint with ICANN. The proposed enforcement ranges from monetary sanctions through suspension to termination of contract.
6. An obligation on all new gTLD operators to provide registry-level WHOIS information (commonly called a Thick Whois, as offered by the .info and .biz registries). In addition, the IRT calls upon ICANN to fulfill a promise to provide a central, universal WHOIS database covering all gTLDs.
7. A revision to the String Confusion review that ICANN will undertake of all applications to include a 'consideration of the aural and commercial impression (meaning) created by the string'.

The consultation process is due to end on 29 June 2009 and IRT members have been contacting firms to encourage businesses to respond to its report. As Stacy King from luxury goods company Richemont and a member of the IRT says 'Domain Name policy is not, in general, our day-to-day work so it is hard to make time, however it does affect our day-to-day work as we have to enforce against fraud and abuse online. It is difficult to complain that brand owners were not heard if we don't show up to the table and try to work with ICANN on this – and that is the key, we need to work with them and come up with something we can all live with that helps prevent fraud online. And we need to expect the same from ICANN.'

Has the IRT done enough to restrict abuse in the new gTLDs? Would you like to see proposals like the URS, if successful, applied to all gTLDs including .com? Did the IRT miss a trick by not tackling Proxy/Privacy Registration services that abusers shelter behind? Now is the time to make your views known. Entrepreneurs are already launching campaigns for new gTLDs although the application process is not due to open until spring 2010 at the earliest.

To read a full copy of the IRT report, which includes flow charts of the URS and details of the IRT members, go to: http://www.icann.org/en/topics/new-gtlds/irt-final-report-trademark-protection-29may09-en.pdf. The 30-day comment period closed on 29 June 2009 and comments can reviewed at forum.icann.org/lists/irt-final-report.

International Update

Australia: Twitter squatting

Deborah Bell, Freehills Patent & Trade Mark Attorneys (Melbourne)

The emergence of Twitter as a marketing tool has reignited debate on trade mark rights and the Internet. Just as cyber squatters initially registered companies' trade marks in domain names, 'Twitter squatters' are now wrongfully registering companies' trade marks as Twitter IDs.

As every Twitter ID is unique, wrongfully registering a company's trade mark as an ID prevents that company from operating on Twitter under its mark. Twitter Inc has established protocol for investigating and, if necessary, cancelling or transferring IDs that are being squatted or used as a vehicle for trade mark infringement. The Coca-Cola Company recently gained control of the CocaCola ID (which was registered by a third party) by lodging a complaint with Twitter Inc. Twitter Inc transferred the ID after finding that COCA-COLA is the Company's registered trade mark.

As few brand owners enjoy the same global reputation as COCA-COLA, it will be interesting to see how far Twitter Inc will go in protecting the rights of smaller brand owners. We expect Twitter Inc will employ international principles of trade mark law when assessing cases of infringement. As trade mark rights are geographically confined, we wonder whether an avenue for review of Twitter Inc's decision will exist where the conduct complained of amounts to infringement under the relevant national law, but not according to Twitter Inc's interpretation.

Only time will tell.

China: New judicial interpretation addresses criminal prosecution against counterfeit drugs

August Zhang, Rouse (Beijing)

The Supreme People's Court of China has promulgated the new Judicial Interpretation on Application of Laws for Criminal Action against Counterfeit and Inferior Drugs, which will come into force on 27 May 2009. The Interpretation will help consolidate the law on criminal action against counterfeit drugs in China.

In recent years, counterfeit drugs have been rampant in China due to a criminal system which lacks sufficient measures to deter counterfeiters. According to an official report, the Food & Drug Administration handled 909,752 cases of illegal drugs and related products from 2006 to 2008, however only 225 defendants were criminally prosecuted. The restricted criminal threshold has long been one of the major obstacles faced by brand owners who wish to pursue criminal enforcement in China.

The Interpretation is primarily intended to clarify the criminal threshold for counterfeit drugs. Under Article 141 of the PRC Criminal Law, an offender may be subjected to criminal penalties, including the death penalty, if the counterfeit drugs "sufficiently cause severe harm to human health". However, this requirement is not adequately defined in the statute. In 2001, the Court issued an Interpretation which includes cases where the counterfeit drugs contain a virus or other harmful materials which contravene state drug standards, or contain no prescribed active ingredients or functions which could delay the use of effective treatments.

The Interpretation expands the categories to include counterfeit drugs of stupefacient, psychotropic substances, toxic chemicals, radioactive drugs, prophylactics, blood products or vaccines, injection drugs, prescription drugs which are produced without proper license or approval or drugs for use by pregnant women, infants, children or critically ill patients. If necessary, the drug in question can be verified by a drug testing institution or appointed by the provincial level FDA to confirm whether or not the drug falls into one or more of these categories.

It should be noted that the term 'counterfeit drugs' is defined by the PRC Drug Administration Law as including drugs without prescribed active ingredients. If the drugs contain certain active ingredients but not up to the required amount, they are defined as 'inferior drugs'. The criminal threshold requires "actual harm" caused to human health, as opposed to 'potential harm' for counterfeit drugs. These terms do not relate to IP specifically, but deal with the quality of the active ingredients in the drugs. The crime of trade mark counterfeiting is dealt with separately under the Criminal Law, which requires a monetary threshold of RMB 50,000 (approx. USD $7,300) for the value of the goods.

The Interpretation also states that medical institutions may be held criminally liable for the use or sale of counterfeit drugs if they know or 'ought to have known' that the drugs are counterfeit. An act of wilful assistance and facilitation may also be jointly prosecuted, including providing funds, licenses, accounts, business premises, facilities, raw materials, packaging, technology, advertisements, transportation and storage services.

The Interpretation may be helpful for brand owners seeking additional causes of action for IP protection of pharmaceutical products if the goods in question do not reach the monetary threshold for the crime of trade mark counterfeiting under the Criminal Law, but fall into the new drug categories under the Interpretation. For example, if the offending drugs contain no active ingredients and fall into categories such as vaccines, injection drugs or prescription drugs, criminal action will now be possible for the crime of 'counterfeit drugs', even if not possible for the crime of trade mark counterfeiting due to the latter's threshold requirements.

European Community: Specific exclusions from specifications of goods in CTMs

Franck Soutoul and Jean-Philippe Bresson, Inlex IP Expertise (Paris)

On 16 February 2009, the Fifth Board of Appeal of OHIM held that 'pharmaceutical, veterinary and dietetic preparations adapted for medical use, with the exception of pharmaceutical preparations for the treatment of cancer' were similar to 'pharmaceutical products for treating cancer'.

The Board considered that the limitation of the goods in Class 5 was artificially made to remove the similarity between the goods of the marks involved. It was upheld as not having the consequence of defining a specific type of products. The Board regarded a negative recitation of products as not affecting the products themselves.

The limitation did not result in a modification of the market in which the products at issue were to be found, as the goods covered by the mark did not constitute a subcategory separate from the general category of pharmaceutical products.

France: eBay wins over L'Oreal

Franck Soutoul and Jean-Philippe Bresson, Inlex IP Expertise (Paris)

The Court of First Instance of Paris has ruled that eBay would only be liable for trade mark infringement if evidence was shown that it knew of the infringing content and failed to remedy it. The Court found that eBay acted in good faith by establishing strong means to fight counterfeiting.

The decision contradicts two past decisions in June 2008 which regarded eBay as being in breach for not safeguarding against reprehensible uses of its services. The auction site had to pay almost 40 million Euro for not taking appropriate measures against the selling of perfumes and cosmetics infringing selective distribution networks.

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Germany: Recent decisions by the German Federal Supreme Court

Dr Birgit Clark, Boult Wade Tennant (London)

The German Federal Supreme Court (Bundesgerichtshof) recently handed down several decisions in the field of pharmaceuticals.

Advertisement of 'over the counter' drugs: In its decision in Schoenenberger Artischockensaft, the Bundesgerichtshof emphasised that Article 4(3) and (4) of the German Law on Advertising in the Healthcare Sector (HWG) required that freely available over the counter drugs that may have health related side effects must be advertised with an information notice that states 'For risks and sides effects, please read the enclosed information leaflet and seek advice from your doctor or pharmacist'.

A consumer group had objected to the defendant advertising artichoke juice in a health shop without including the required warning, considering this as unfair competitive practice under Article 4(3) HWG. The judges agreed and underlined that Article 4(3) HWG was neither in conflict with Council Directive 92/28/EEC on the Advertising of Medicinal Products for Human Use, nor was it in conflict with the German constitution, as argued by the defendant.

The judges stressed that consumer health considerations, as protected under Article 4(3) HWG, had to be given precedence over the pharmaceutical company's interest to freely advertise its products. It also had to be considered that the relevant product, artichoke juice, was a medicinal product which was available over the counter, despite its possible negative side effects.

Co-branding of parallel imported pharmaceuticals: In a case concerning the co-branding of parallel imported pharmaceuticals (LEFAX/LEFAXIN), the judges clarified that a parallel importer which applied its own company logo on the outer packaging of a parallel-imported pharmaceutical product neither damaged the reputation of the original manufacturer's trade mark, nor the function of the trade mark as an indication of origin, provided that the parallel importer had repackaged the pharmaceutical product in such a way that the parallel importer's company logo was affixed in the 'immediate proximity' of the information notice stating that the pharmaceutical had been repackaged and provided that the relevant consumer would interpret the parallel importer's logo as part of this notice.

Supplementary Protection Certificates for pharmaceutical products: On 14 October 2008, the Court handed down its decision in the Doxorubicin-Sulfat case, confirming its strict interpretation concerning pharmaceutical products qualifying for patent life extension via Supplementary Protective Certificates (SPCs) under Regulation 1768/92/EEC.

Even though there had already been an earlier market authorisation for the active ingredient doxorubicin-hydrochloride, the applicant contended that doxorubicine-sulphate had, *inter alia*, better pharmacological properties than doxorubicin-hydrochloride and consequently represented a new product. The Federal Patent Court refused an application for patent life extension. On appeal, the Federal Supreme Court agreed and ruled that doxorubicine-sulphate did not qualify as a new medicinal product because its active ingredient ('doxorubicine') was identical. Consequently, the applicant's market authorisation for doxorubicine sulphate had not been the first authorisation as a 'medicinal product', as required for patent life extension (SPC) under Article 3(d) of Regulation 1768/92/EEC.

In the light of this decision, it is to be expected that applicants will not be able to support an SPC application with merely secondary arguments such as better potency etc.

Low distinctiveness of permutation of descriptive technical term: In its PANTOGAST decision of 29 May 2008, the Court decided on the similarity between the marks PANTO and PANTOGAST, both covering identical goods in class 5.

The Court confirmed that an obvious permutation of a technical term that was descriptive of the goods in question (PANTO) may be distinctive enough to qualify for trade mark registration so long as it was not devoid of any individualising distinctive character. However, where a trade mark term strongly alluded to a descriptive term that was clearly recognisable to the relevant specialist public (i.e. alludes to the name of the active substance of a pharmaceutical product, namely 'Pantoprazol' in this case), this trade mark will, *per se*, only be of 'below average' distinctiveness. Even those trade circles that did not have any concrete knowledge of the descriptive allusion of the term PANTO would still assume that it alluded to a medical term.

On balance, despite an identity of goods and despite the fact that both marks shared the prefix PANTO, the Court decided that the marks PANTO and PANTOGAST were not similar enough to cause a likelihood of confusion. The court took the view that the additional element GAST had an independent distinctive role in the composite mark PANTOGAST, even though it was of low distinctiveness alluding to gastro-intestinal diseases. The element PANTO in PANTOGAST did not dominate the overall impression of the junior mark in such a way that the element GAST would be expunged.

India: Indian Court imposes significant penalty on Contemnor

Raka Roy, Rouse (Dubai)

Pharmaceutical giant Lilly ICOS LLC successfully injuncted Scilla Biotechnologies from using the mark SCALIS and identical trade dress, including the shape of the tablets. Subsequently, Lilly learned about a significant seizure by Customs in Hamburg, Germany, of a consignment of pharmaceutical goods in the name of Scilla under the trade mark SCIFIL, with identical trade dress. This prompted Lilly to initiate contempt proceedings. The Court confirmed the violation of the injunction order and held that the defendants had attempted to overreach and reap benefits by marginally changing their trade mark from SCALIS to SCIFIL, while retaining the same trade dress.

The Court awarded Lilly damages of Rs. 1m (approx USD$21,000) and ruled that Lilly was entitled to its costs. The order should act as a deterrent to infringers/contemnors. It is a move away from the general trend in contempt proceedings where petitions are usually disposed of by the Indian courts on the basis of an apology from the contemnor and sometimes a nominal fine. The decision is encouraging for brand owners who often experience continued violation of their intellectual property rights despite court injunctions.

India: Arrests for IP crimes curtailed

Darshan Ramamurthy, Rouse (Dubai)

On 23 December 2008, the Indian Parliament passed a Bill which radically amends the Code of Criminal Procedure and curtails the powers of police officers to make mandatory arrests.

Previously, police officers could make arrests without a Court warrant for offences with a maximum imprisonment term of up to three years. However, once the Bill comes into force, they will only be able to make such arrests for offences with a maximum imprisonment term of up to seven years.

IP owners in particular are likely to object to the amendment since trade mark and copyright related offences carry a maximum imprisonment of three years and therefore do not meet the criteria set out under the Bill. In other words, a counterfeiter of medicines, music or software will now easily be able to avoid arrest under the new laws. It seems that IP owners will now have to reconsider their criminal enforcement options in India.

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Korea: Korean Constitutional Court nullifies Article 7(3) of the Trademark Act

Kim & Chang, South Korea

Article 7(3) of the Trademark Act provides that Articles 7(1)(vii) (relative grounds objection) and 7(1)(viii) (relative grounds objection, where the prior registration has been deregistered within one year of the filing of the junior application) apply even when the prior registration is invalidated.

The Constitutional Court nullified this provision as of 30 April 2009. Accordingly, a junior trade mark application or potential application can now be registered even if there is a senior trade mark registration invalidated within one year prior to filing of the junior application or valid at the time of the application but invalidated thereafter.

Malaysia: McDonalds lose McCurry appeal

Siew Ling Su, Tay & Partners (Kuala Lumpur)

There was a lot of excitement in 2006 when McDonalds Corporation won its High Court case in passing off against a small Indian restaurant which named itself 'McCurry' in Malaysia. The High Court decision, whilst not necessarily clear in terms of expanding the principles of the tort of passing off, was welcomed in that confusion by association was found, particularly by reference to the prefix 'Mc' in the context of the eatery business. The small Indian company appealed and the Court of Appeal has overturned the first instance decision.

The Court of Appeal commented that 'it is idle to speak of the ingredients of the tort in strict terms as though it was a creation of some penal statute'. Nevertheless, it applied strictly the conventional ingredients of the tort, as laid down in previous English cases adopted in Malaysia. It posed the simple query 'Did the defendant represent his business to be that of the plaintiff?' and held that it did not. 'McCurry' is distinguishable from 'McDonalds'. No food items in the McCurry restaurant carried any 'Mc' prefixes and the restaurant offered only Indian food. The Court rejected any inference that the defendant chose the name to obtain an unfair advantage from the usage of the prefix 'Mc.'

The decision would seem to affirm the position that the concept of dilution of a trade mark has no place in Malaysian common law and any attempt to expand passing off beyond its original scope and intent may receive short shrift from the judiciary.

Saudi Arabia: Saudi Food & Drug Authority to establish centre to monitor medicines

James Elliott, Rouse (Dubai)

The Saudi Food & Drug Authority has launched its National Pharmacovigilance Centre to control the safety of drugs imported into and marketed within Saudi Arabia.

The Centre has confirmed that medicines causing serious side effects will be withdrawn. The Centre has a website for healthcare professionals and the public to notify it about potentially unsafe medicines (http://www.sfda.gov.sa/En/Drug/Topics/National+Pharmacovigilance+Center/).

The establishment of the Centre is part of the second phase of the SFDA's development. Since its inception in March 2003, the SFDA has focused on reviewing the existing laws, regulations and best practice within the food and drug industry. It will now adopt a more hands-on approach to regulation of food, drugs and medical devices, including imposing minimum safety standards.

The SFDA is expected to work alongside customs officials to monitor food and drug importation. It will have the power to inspect food and drugs on the market, withdrawing unsafe products.

It is hoped that brand owners will be able to file a complaint with either the SFDA or the Ministry of Commerce where counterfeit food or drugs pose a threat to consumer safety.

U.S. Update

James A. Thomas, Troutman Sanders LLP, Raleigh, USA

The U.S. Trademark Trial and Appeal Board (TTAB) continues to address the issue of fraud in the procurement of US trade mark registrations. In a variety of decisions issued over the last several years, the TTAB has left few exceptions to the rule that the filing of an inaccurate statement of use during the application or renewal of a US registration constitutes fraud and voids any resulting registration. These decisions, however, had only addressed single-class applications and registrations. Therefore, the question remained whether fraud in only one class of a multi-class registration would invalidate the entire registration.

The TTAB finally answered this question in a decision issued early this year, holding that fraud committed as to one class in a multi-class registration invalidates the registration for only that class and does not invalidate the entire registration. *G&W Laboratories Inc. v. G W Pharma Ltd.*, Opposition No. 91169571, 29 Jan 2009.

On the other hand, the TTAB appears to remain more tolerant of inaccurate first use dates. In another recent decision, the TTAB reiterated that it was not fraud to include in a use-based application an incorrect first-use date that is prior to the filing date so long as the mark was in use as of the filing date of the application. The TTAB reasoned that 'fraud' occurs when an applicant knowingly makes false, material representations of fact in the course of its application. The US Patent and Trademark Office (the 'Office'), however, gives no weight to first use dates when it approves a use-based application. Instead, the critical fact is whether the mark was in use as of the filing date of the application. Therefore, even if false, a claimed first use date that is prior to the filing date of a use-based application is not material to the Office's decision to approve the application and therefore does not constitute fraud. *Kathleen Hiraga v. Sylvester J. Arena*, Cancellation No. 92047976, 18 Mar 2009.

The TTAB held in *Bayer Consumer Care AG v. Belmora LLC,* 90 USPQ2d 1587 (TTAB 2009) that the owner of a famous foreign mark cannot file an opposition or cancellation proceeding based on the 'well-known' mark provisions of Article 6bis of the Paris Convention. The TTAB explained that the Paris Convention was not self-executing and did not provide a valid basis for TTAB proceedings where the mark had not been used in the US.

Finally, a Federal District Court in California held that a trade mark owner could not rely on use that was in violation of the U.S. Food, Drug, and Cosmetic Act to establish priority over a confusingly similar mark of a third party. Based on the evidence presented, the court found that early sales of an acne medication were made without the proper approval of the Food and Drug Administration and therefore such sales could not be used to acquire trade mark priority. *GoClear LLC v. Target Corp.*, Docket No. 3:08cv2134, N. Dt. Calif., 22 Jan 2009.

PROFILE: Bev Berridge

Bev is a well known face behind the scenes at all PTMG conferences and has kindly agreed to feature as the Profile for this edition. His efficiency and calm manner has helped many a conference speaker and chairman over the years and this is one way of saying thank-you and long may it continue.

Where were you brought up and educated?

I was born in Doncaster in the UK, so I can officially play cricket for Yorkshire – although they have never called me up. I started out at Sunflower Nursery School and worked my way through to the Central School of Acting. Training as an actor - I was going to be famous. With a degree in drama, I entered the big world to seek fame and fortune. My first job was making tights in a hosiery factory!

How did you become involved in trade marks?

Fifteen years ago I knew nothing about trade marks or indeed the whole trade mark industry. Now, after attending almost every PTMG conference over this time (and staying awake for every session!), I think I must know almost all there is to know about trade marks!!

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

Probably remained sane! Possibly managing the production side of a Women's Institute flower arranging conference.

Which three words would you use to describe yourself?

Patient, patient, patient!!!!

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

. . . finishing sentences in a concise manner, more often than not, I am prone to exaggerate and artificially extend sentences, so that they become extremely long, almost to the point of boredom, before you have a chance to really absorb their true content.

What did you want to be as a child?

It has always been my dream to help to manage and organise PTMG conferences and events. Hopefully my children will follow in my footsteps.

What does all your money get spent on?

My children!

What is your biggest regret?

Letting my children spend all my money!!

What do you dream of?

PTMG PowerPoint slides, hotel ballrooms and faulty radio microphones!

What do you wish more people would take notice of?

My microphone technique briefing. Why do people always 'tap' microphones and say 'Is this on?'

What is a common misperception of you?

That I am a woman! Only because of the name, I hope.

Which book or books are you currently reading?

Law, Lore and Practice – and the *I Spy Guide To Trade Marks.*

What is your favourite holiday destination?

I spend my life travelling to conferences all over the world. My favourite place has to be at home

What is your most treasured possession?

My three children, my wife and my passport.

Where do you see yourself in 10 years' time?

At a PTMG conference, behind the sound desk, older and greyer (If there's any hair left!)

If you could save only three things from your burning home, what would they be?

The fire extinguishers!

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

Don't worry about things being stolen. My area is so poor, burglars break in and leave us things!

What's the best invention ever?

'Chellspeck' in wicrosoft mord.

Which modern convenience could you not live without?

The public one.

What do you wish you'd never worn?

My 'welcome out' at many parties.

My thanks to Derek Rossitter for his 'out-of-the-box' idea for this issue's Profile – look out for Bev in Lisbon!

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