

Law Lore & Practice

PTMG



Pharmaceutical
Trade Marks Group

July 2010



Editorial

Welcome to the first e-edition of *Law, Lore & Practice*.

As long-time readers will know, *LL&P* has undergone other changes since its conception and this is yet another step forward on the path of innovation which PTMG as an organisation always embodies.

Sustainable development is not just a buzz word and I trust that you will support the Committee's decision in this direction.

What's more, rather than having to remember to pick up your physical copy from your desk before rushing out the door on a business trip, *LL&P* is now with you at all times. This thanks to the high performance electronic devices in your possession (the ones our Chairman is always asking us to turn off during conference!).

Change is something many resist, sometimes by knee-jerk reaction, until it can no longer be avoided

and yet it is something we should try to embrace as it can often bring positive advantages.

In this edition, I am particularly pleased to present the line drawings of Grace Horne who illustrates so beautifully the childrens' books of our Honorary President Derek Rossitter and who was our guest of honour in Liverpool. A variation on our usual format and a welcome change.

Our next conference in Athens is entitled 'Today, tomorrow and the future' – a mouth-watering appetizer as we look to more changes for our professional activity.

In a changing world which brings challenges to us all, I trust that one thing remains constant: a good break at this time of the year. It remains for me to wish you all happy holidays!

Vanessa

Federal Supreme Court holds that full profit of the infringer is to be awarded as damages in illicit pharmaceutical parallel import

Claus Eckhardt, Bardehle Pagenberg & Partner, Munich, Germany

In a recently published decision from 29 July 2009 the German Federal Supreme Court expanded its case law on the award of damages in the context of parallel import cases.

The plaintiff, a producer of pharmaceuticals and owner of the trade marks ZOLADEX and NOLVADEX had sued a company for infringing these trade marks due to an illegal parallel import. The defendant had imported the products of the plaintiff bearing the above trade marks from another country of the European Union into Germany and had modified the package of the original product for the German customer without informing the plaintiff in advance. Case law pertaining to parallel imports requires the parallel importer to, *inter alia*, inform the trade mark owner of such modifications prior to importing the goods. Failure to do so means that the trade mark rights are not exhausted and

the import constitutes an infringement of these rights.

In German practice the owner of infringed intellectual property rights has the choice of requesting the award of damages on an abstract basis – the so called licence analogy – or, alternatively, he can request damages on a concrete basis, i.e. the profits generated by the infringer due to the infringement or the profits lost for the owner of the IP rights on account of the infringement.

The latter method is more burdensome, since it is usually difficult for the plaintiff to prove that all profits made by the defendant are to be attributed to the use of the infringed trade mark. The courts usually work on the assumption that the infringer would have also sold products and generated profit if the products had been sold under a different trade mark.

As a consequence, courts usually award

substantially less damages than the profits actually accrued. In many cases, the licence analogy is hence the preferred calculation method: it is assumed that the infringer and the infringed party entered into a licence agreement of standard content with a royalty typically paid in that particular sector of trade.

The German Federal Supreme Court has departed from this long-standing case law in the instant case and awarded the full amount of profit generated by the defendant arguing that the pharmaceutical product could not have been marketed without the plaintiff's trade mark given that pharmaceutical law required the defendant to use the trade mark at issue.

The ruling is clearly in favour of pharmaceutical companies who will be able to seek full profits of the infringer as damages in those cases where the strict rules of admissible parallel import are not observed.

AdWords here, there and everywhere: The ECJ decides in French, Austrian and German AdWord referrals

Dr Birgit Clark, Boulton Wade Tennant, London

The Court of Justice of the European Union (ECJ) recently handed down its eagerly awaited judgments in the French, Austrian and German referrals concerning keyword ('AdWord') advertising. While the ECJ's decision in the three joined French cases (joined Cases C-266 to 238/08) set out the main criteria and was most widely noted, the court gave further details in the Austrian BergSpechte (C-278/08) referral and has now also handed down its decision in the German referral, eis.de (C-91/09). This article summarises the main arguments raised in these decisions.

Introduction

The search engine provider Google operates a system called AdWords, which allows advertisements to be displayed under the heading 'sponsored links' alongside 'natural results' in response to keywords being entered in the search engine. In this article the terms AdWord and keyword are used interchangeably.

In contrast to the French cases in Google France and Google, the Austrian and German referrals in BergSpechte and Eis.de only deal with the entitlement of a trade mark owner to act against advertisers but do not deal with Google's liability. Google was not part of the proceedings in the Austrian and German cases. In its responses to the national courts' referrals, the ECJ held that an advertiser's purchase of a keyword which was identical (or similar) to a registered third party trade mark, in order to direct internet users to the advertiser's own website which offered similar or identical goods or services, did amount to behaviour which a trade mark proprietor was entitled to prevent.

The referencing service provider

In the first and most important of its AdWord judgments, Google France and Google, the ECJ held that Google's AdWords system which allows third parties to use keywords which are identical or similar to trade marks did not amount to trade mark infringement by Google. While the court acknowledged that a referencing service provider such as Google 'was carrying out a commercial activity with a view to economic advantage', and acting 'in the course of trade' when it permits advertisers to select, as keywords, signs identical with trade marks, stores those signs and displays its clients' advertisements on that basis, this did not mean that that service provider itself was 'using' those signs in the sense of Article 5 Directive and Article 9 Regulation.

The Advertiser

Referring to its precedents such as *Arsenal Football Club (Case C 206/01)* and *Céline (Case C 17/06)*, the ECJ emphasised that a trade mark owner could not 'oppose the

use of a sign identical with the mark if that use is not liable to cause detriment to any of the functions of that mark.' These functions not only included the 'function of indicating origin' but also other functions, such as guaranteeing the quality of the goods or services and the functions of communication, investment and advertising. With regard to keyword use the relevant functions to be examined were the function of indicating origin and the function of advertising.

Original function of a trade mark

Whether the facts of a case indicated adverse effects on the original function depended 'in particular on the manner' in which that advertisement was presented and was for the national court to assess, on a case-by-case basis. In its guidance to the national courts, the ECJ set out that a trade mark would have to be assumed to be an infringement in two circumstances:

- where a third party's advertisement suggests that there is an economic link between that third party and the trade mark proprietor; or
- where an advertisement is so vague concerning the origin of the goods or services that a normally informed and reasonably attentive internet user is unable to determine, on the basis of the advertising link and the commercial message attached to it, whether the advertiser is an unrelated third party or economically linked to that trade mark proprietor.

However, the ECJ left open as to how exactly the national courts were to define 'vagueness' and it is expected that the various national European courts might develop different criteria as to this point.

Advertising function of a trade mark

As regards the advertising function, the ECJ held that a trade mark proprietor may not only wish to indicate trade origin, but also use it to advertise and 'to inform and persuade consumers'. Consequently, the court found that a trade mark owner was entitled to prevent a third party from using a sign identical with its trade mark in relation to identical goods or services,

where that use adversely affects the proprietor's use of its mark as a factor in sales promotion or as an instrument of commercial strategy.

The ECJ found that it was 'clear' that use of a trade mark as a keyword by advertisers was liable to have 'certain repercussions' on the proprietor's 'advertising use' who for example had to pay a higher price per click if he wished to ensure that his advertisements appeared before those of other operators which had also chosen his mark as a keyword. However, the ECJ stressed that the 'home and advertising page' was usually also displayed in the natural search results free of charge which ensured a guaranteed visibility of trade mark owner and his products. In light of this, the court took the view that there was no adverse effect on the advertising function of the trade mark.

Similarity between keyword and trade mark

While the ECJ's decisions in Google France and Google and in the German referral eis.de only referred to cases of double identity of the marks/keywords and identity goods/services, the ECJ's decision in the Austrian referral BergSpechte confirms and clarifies that trade mark enforcement can also be sought when a keyword is only similar to a registered trade mark.

In cases where the keyword was only similar to a trade mark, the ECJ held that it had to be determined whether there was 'a likelihood of confusion when internet users are shown, on the basis of a keyword similar to a mark, a third party's ad which does not enable normally informed and reasonably attentive internet users, or enable them only with difficulty, to ascertain whether the goods or services referred to by the advertisement originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party.' The question of a likelihood of confusion had to be assessed by the national court.

Liability under the E-Commerce Directive

As regards Google's liability under the E-Commerce Directive, the ECJ in Google France and Google emphasised that the role played by the service provider in 'the drafting of the commercial message which accompanies the advertising link or in the

continued on the next page

establishment or selection of keywords (was) relevant'. The ECJ found that while Google could not be held liable for the data which it had stored at the request of an advertiser, to be able to continue to rely on the liability exemption it would have to act expeditiously to remove or to disable access to the data (advertisement) concerned, once it had obtained knowledge of the unlawful nature of the data or of that advertiser's activities, i.e. a particular advertisement.

Comment

So where are we now? While the ECJ's decisions offer reassurance to advertisers that bidding on a trade mark as a keyword by itself does not amount to trade mark infringement, the ECJ's decisions have not completely clarified matters.

It should also be kept in mind that under the ECJ's guidance a competitor's trade mark need not visually appear in an advertisement to be potentially infringing. Further, given that national courts are free to establish their own case law as to when an advertisement qualifies as 'vague', we will mostly likely end up in a situation where different national courts establish different guidelines. It remains to be seen whether the national referring courts, the French Cour de Cassation, the Austrian Oberste Gerichtshof and the German Bundesgerichtshof will now take the opportunity to establish more detailed guidance relating to AdWord use.

Finally, the court might itself add some further clarification when it decides the outstanding AdWord referrals from the Dutch Hoge Raad der Nederlanden

(*Portakabin*, C-558/08) and from the High Court of England and Wales in *Interflora* (C-323/09).

Google France, Google Inc. v Louis Vuitton Malletier; *Google France v Viaticum Luteciel*, *Google France v CNRRH*; *Pierre Alexis Thonet, Bruno Raboin, Tiger, a franchisee of Unicis*; *Court of Justice of the European Union, joined cases C-236/08, C-237/08 and C-238/08 of 23 March 2010*

Die BergSpechte Outdoor Reisen und Alpinschule Edi Koblmüller GmbH v Günter Guni and trekking.at Reisen GmbH, Court of Justice of the European Union, C-278/08 of 25 March 2010

Eis.de GmbH v BBY Vertriebsgesellschaft GmbH, Court of Justice of the European Union, Case C-91/09 of 26 March 2010

Members News

New Members

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

Murat Basmaci of Sanovel Pharmaceuticals Inc., Buyukdere Caddesi Dereboyu Sokak, Zagra Is Merkezi C Blok Kat:2, 34398 Maslak, Istanbul, Turkey

Franziska Strebel Preiswerk and Monika Gattiker both of KRSW Weinmann, Florastrasse 44, PO Box 1525, 8032 Zurich, Switzerland

Matteo Chiodi of Gregorj Spa, Via Ludovico Muratori 13/B, 20135 Milan, Italy

Lidia Lanza of Helsinn Healthcare SA, PO Box 357, 6915 Lugano/Pambio - Noranco, Switzerland

Thomas Nie of NovartisDennemeyer & Associates, 55, rue des Bruyeres, L-1274 Howald, Luxembourg

Cecilia Tholse of Setterwalls, PO Box 4501, 203 20 Malmo, Sweden

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Darren Geliebter of Lombard & Geliebter LLP, 230 Park Avenue, 10th Floor, New York, NY 10169, USA

Noemi Rosenich-Marko of Patentburo Paul Rosenich AG, Buro- und Gewerbe Zentrum, LI - 9497, Liechtenstein

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Dorothy Linvill-Neal, Johnson & Johnson Pharmaceuticals, 700 US Highway 202 South, Office 2106, Raritan, NJ 08869, USA

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Marieke Poulie of Lovells LLP, PO Box 545, 1000 AM, Amsterdam, The Netherlands

Maria Nilova of Patentica, PO Box 1125, 15 Malaya Morskaya, Office 5, St, Petersburg, 190000, Russia

Ashwin Julka of Remfry & Sagar, Remfry House at The Millenium Plaza, Sector-27, Gurgaon, Haryana 12202, India

Maria Do Carmo Fernandes of Furtado - Gabinete Tecnico de Marcas e Patentes SA, Rua Sousa Martins, No. 10-7, 1050-218 Lisbon, Portugal

Huw Evans and Pam Taak both of Allen & Overy LLP, One Bishops Square, London E1 6AD, UK

Markus Groetschl of Schwarz Schoenherr Rechtsanwalte KG, Parkring 12, 1010 Vienna, Austria

Olexiy Yasinsky of Arzinger, 75 Zhylyanska Street, 5th Floor, 01032 Kiev, Ukraine

Jonathan Day of Arnold & Porter UK LLP, 29th Floor, Tower 42, 25 Old Broad Street, London, EC2N 1HQ, UK

Wolfgang Danner of Dennemeyer & Company, 55 rue des Bruyeres, L-1274 Howald, Luxembourg

Arnaud van Wyck and Emerald Dickson both of Darts-ip, Clos Lucien Outers 11-21, B-1160 Brussels, Belgium

Mowafack Al Yafi of Grant Thornton Yafi & Co, Karakas Street Yakoubian, Building Bloc B 5th Floor, 114735 Beirut, Lebanon

Ian Tollett of Williams Powell, Staples Court, 11 Staples Inn, London WC1V 7QH, UK

Ronen Sasson of Luzzatto & Luzzatto, PO Box 5352, Beer-Sheva 84152 Israel

Tanya Fickenschner of Bristol-Myers Squibb Company, 345 Park Avenue, 3-72, New York, NY 10154, USA

James Weinberger of Fross Zelnick Lehrman & Zissu PC, 866 United Nations Plaza, 6th Floor, New York, NY 10017, USA

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Espen Clausen of Tandbergs Patentkontor AS, PO Box 1570 Vika, NO-0118, Norway

Hillena Einfeld of Bayer Schering Pharma AG, GMED-TA MP-GBT Avelox, Mullerstrasse 178, 13353 Berlin, Germany

Mark Hiddleston of Elkington & Fife, Prospect House, 8 Pembroke Road, Sevenoaks, Kent, TN13 1XR, UK

Nicola Amsel of Amsel & Co, Trident One, Styal Road, Manchester M22 5XB, UK

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Mila Federis of Federis & Associates Law Offices, Suites 2004 & 2005, 88 Corporate Center, 141 Valero Street, Salcedo Village, Makati City 1227, Philippines

Filipe Teixeira Baptista of Baptista Monteverde & Associados, Avenue Alvares Cabral, 47-R/C, 1250-015 Lisbon, Portugal

Marcella Florio of Bugnion SpA, Viale Lancetti 17, 20158 Milan, Italy

Torsten Kraus of IPAN GmbH - Intellectual Property Associates Network, Muenchener Strasse 14, 85540 Muenchen-Haar, Germany

Clyde Michael of Hahn & Hahn Inc, PO Box 13575, Hatfield 0028, South Africa

Fengtong Wang and Yiping Zhao both of Runping & Partners, Suite 509, Yingu Mansion, No.9 Beisihuanxilu, Haidian District, Beijing 100091, China

Sema Sinmez and Berrin Kalenderli both of Deris Patents and Trademarks Agency AS, Inebolü Sok, Deris Patent Building, No.5 Setustu-Kabatas, 34427 Istanbul, Turkey

Marek Lazewski of LDS Lazewski Depo & Partners, Ul. Myslowicka 15, 01-612 Warsaw, Poland

David Moy of Appleyard Lees, 15 Clare Road, Halifax, HX1 2HY, UK

Senta Willi of Beutler Kunzi Stutz, Thunstrasse 63, CH-3000 Bern 6, Switzerland

Denis Voevodin of Salans, Balchug Plaza, Ulitsa Balchug 7, 115035 Moscow, Russian Federation

George Jomaa of Saba & Co IP, PO Box 11-9421 Beirut, Lebanon

Robert Williams of Bird & Bird, 15 Fetter Lane, London EC4A 1JP, UK

Katy Spurrier and Kieron Taylor both of Swindell & Pearson, 48 Friar Gate, Derby DE1 1GY, UK

Corinne Blumsky of A J Park, PO Box 949, Wellington, New Zealand

Karol Gajek of Soltysinski Kawecki & Szlezak Law Firm, Ul. Wawelska 15B, 02-034 Warsaw, Poland

Bharat Dube of IP Gurus India, c/o Mantra Global IP Consultants Sarl, 14 rue du Mont Blanc, 1201 Geneva, Switzerland

Mariusz Kondrat of Kondrat Law and

Patent Office, Al. Niepodleglosci 223/1, 02-087 Warsaw, Poland

Guenther Schmalz of Cabinet Guenther Schmalz, "Le Bristol", 25bis boulevard Albert 1er, MC 98000, Monaco

Sylvain Rousseau of IPSO, Via Santa Chiara 15, 10122 Turin, Italy

Ralph Guager of Zuazo Gauger Maldonado & Asociados, Raimundo Fernandez Villaverde 45, ES-28003 Madrid, Spain

Jane Steinberg of Gowling Lafleur Henderson LLP, Suite 2600, 160 Elgin Street, Ottawa, Ontario K1P 1C3, Canada

Victoria Carrington of Shapiro Cohen, 411 Legget Drive Suite 200, Ottawa, Ontario K2K 3C9, Canada

Vali Sakellarides of Sakellarides Law Offices, 70 Adrianou Str., 10556 Athens, Greece

Valeska Toebelmann of CMS Hasche Sigle, Kranhaus 1, Im Zollhafen 18, D-50678 Cologne, Germany

Karolina Marciszyn of Kulikowska & Kulikowski, Roma Office Center, ul. Nowogrodzka 47A, 00-695 Warsaw, Poland

Luigi Sansome of Salomone, Sansone & Co, 84 Melita Street, Valetta VLT 1120, Malta

Anton Bory of IPAN GmbH, Muenchener Str.14, 85540 Muenchen-Haar, Germany

Francine Tan of Francine Tan & Associates, 6 Eu Tong Sen Street, #-09-09 Soho 1@The Central, Singapore 059817

Dieter Beier of Bardehle Pagenberg, Galileiplatz 1, 81679 Munich, Germany

Moves and Mergers

Paul Steinhauser has left Arnold & Siedsma and is now with Steinhauser Rijdsdijk Advocaten of Strawinskylaan 1349, NL-1077XX Amsterdam

David Lossignol has moved from Virbac to join Novartis Pharma AG at Novartis Campus, Basel, CH-4056, Switzerland

Michael Cover has left Charles Russell to establish his own ADR consultancy, Michael Cover ADR Limited at 146 Fleet Street, London EC4A 2BU

Anna Carboni has left Wilberforce Chambers and, on 1 October, will be joining Powell Gilbert of 85 Fleet Street, London EC4Y 1AE

Clark Lackert has moved to Dickstein Shapiro LLP of 1633 Broadway, New York, NY10019, USA

Peter Harrison has left Walker Morris and moved to Hill Dickinson LLP of 50 Fountain Street, Manchester, M2 2AS, UK

Jackie Tolson has moved to Potter Clarkson LLP of 50 The Ropewalk, Nottingham NG1 5DD, UK

Birgitte Waagepetersen has left Chas Hude A/s and joined Zacco Denmark A/S of Hans Bekkevolds Alle 7, 2900 Hellerup, Denmark

Retirements

Richard Heath has retired from Unilever and established his own consultancy, Richard Heath IP Associates at PO Box 10751, Dunmow, Essex, CM6 9BB. We are delighted that Richard has agreed to remain on the PTMG Board.

David Sheppard has retired from CompuMark after 28 years. We would like to thank David for his loyal support of the Group throughout those years and wish him a long and happy retirement.

Bob Boad has retired from BP and has joined Joshi & Welch of 5th Floor, 3 Bunhill Row, London EC1Y 8VZ as Chairman. Bob has also been appointed President of the Authenticity Foundation, an organisation dedicated to raising consumer awareness of the risks of counterfeit products.

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.

Dr. Peter Groves formerly with Bircham Dyson Dell, London, UK

Dr. S. Villa formerly with Gregorj, Milan, Italy

Traugott Fischer formerly with Siegfried Ltd, Zofingen, Switzerland

Marcus Gallie formerly with Ridout & Maybee LLP, Ottawa, Canada

Helen Peachey formerly with HR Hodgkinson & Co, Milsons Point NSW, Australia

Constant van Nispen formerly with De Brauw Blackstone Westbroek, The Hague, The Netherlands

James Palik formerly with Tessler Avocats, Paris, France

Erratum

My apologies to **Deborah Portilho**. I incorrectly gave the name and contact details for her former firm in the previous edition of *LL&P*. Deborah can now be contacted at D. Portilho TM Consulting & Auditing, Praia de Botafogo, 528/601B, Rio de Janeiro, CEP 22250-040, Brazil

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

Advertising or information? In search of more clarity on the Polish pharmaceutical market

Marek Lazewski and Agnieszka Galazka, LDS-IP, Warsaw, Poland

Advertising of medicinal products by definition under Article 86 of Pharmaceutical Directive 2001/83/EC includes both inducement and information activities if they are designed to promote the prescription, supply, sale or consumption of medicinal products.

ECJ ruling on advertising definition

Over a year ago the European Court of Justice ruled that dissemination of information about a medicinal product by a third party (in that case – on the part of an independent Danish journalist), including its therapeutic or prophylactic properties, may be regarded as advertising within the meaning of Article 86 of Pharmaceutical Directive 2001/83/EC. The Frede Dangaard decision confirmed that this was the case, even if the third party in question is acting on his own initiative and completely independently, *de jure* and *de facto* of the manufacturer and the seller of such a medicinal product. Although the ECJ took some effort in the reasoning to balance between freedom of expression and consumer health protection and emphasised the necessity of a case-by-case approach when determining the nature of the message, the ruling has been widely criticised as being against the fundamental principle of free press. But to what extent can it be a green light for regulatory authorities to limit journalists' writing about health and lifestyle issues? The following article analyses the efforts of the Polish regulator and courts to deal with the problem of separating information and advertising.

View of the Polish regulator on information from the pharmaceutical industry

The Polish pharmaceutical market is overseen by The Polish Main Pharmaceutical Inspector (the Inspector). The Inspector has the power to issue decisions prohibiting a particular type of activity. A request for re-consideration is available after the decision. Further, judicial review is available via a two-instance Administrative Court system.

The Inspector has traditionally taken a very restrictive position on any pieces of information about medicinal products/health issues, in particular, on information originating from the pharmaceutical industry (marketing authorisation holders and their representatives). For example, it has

become almost a rule that health campaigns organised by pharmaceutical companies are classified as so-called 'campaigns with medicine in the background' and consequently found to be advertising in their nature. The circumstances which determine the medicinal product to be 'in the background' include giving product name or product packshot as obvious examples. However, the campaigns are screened by the Inspector much more carefully, in search of characteristic signs, symbols, colour combinations or slogans which may evoke associations with a particular medicine product.

Last year the Inspector seemed to go to an extreme, trying to prohibit any information campaign as long as a drug producer is one of the organizers. The case concerned a health campaign relating to a specific disease, organized by one of two exclusive manufacturers of a medicine intended to treat it. In a surprising reasoning the Inspector relied on a copyright notice on the campaign website, showing the name of the organiser, which when typed into the Google® search engine along with the name of the disease can easily lead consumers to the name of the product. This led the Inspector to conclude the campaign was in fact advertisement of the product. In a further bizarre argument the Inspector referred to the fact that a list of doctors was provided as part of the campaign. The Inspector assumed that advertised products and not those of the competitor's would likely be recommended by these doctors.

Third-party actions

Even before the ECJ judgement, the Inspector had been scrutinising third-party information activities. Any mention of a product name raised the Inspector's red flag. First decisions addressed to independent entities were issued already in 2008 and took the addressee by surprise.

The far-reaching approach of the Inspector can nicely be illustrated by one of the decisions (cancelled for formal deficiency and never subject to substantive judicial review). The case was deemed as advertising an article regarding common drugs which are used as stimulants by students taking end of high-school exams. The mere fact of mentioning the commercial names of the product in a negative context in fact was taken as advertising.

Almost two years after the issuance of the first of such decisions, the Supreme Administrative Court ruled in the matter. Polish Federation for Women and Family Planning, an association defending women's reproductive rights, put on its website some information about six different contraceptives including names of the products. Whilst the Inspector found those statements to constitute an illegal form of advertising, the Federation defended itself arguing that the information published fell within the scope of its statutory activity and thus, it was deprived of advertising character.

On appeal, the Regional Administrative Court confirmed that the Federation's activity fell within the definition of advertising. This verdict was however subsequently overruled by the Supreme Administrative Court on 10 March 2010. The Court pointed out that not all 'inducement or information activity' (covered by the definition of 'advertising of medicinal products') is automatically aimed at 'promoting the prescription, supply, sale or consumption of medicinal products'. Furthermore, the mere fact that the activity can potentially affect 'the prescription, supply, sale or consumption of medicinal products' is insufficient to conclude the message is of advertising nature. The most important is the actual purpose of the message and the objective intention of the author. The advertising message according to its definition must be designed for the purposes of promotion and the mere fact that the name of a medicinal product was included in an information text does not determine the advertising nature of the text.

Conclusions

The Polish case law seems very interesting to watch in particular in view of the ECJ developments. The regulator traditionally takes a very restrictive position. The administrative courts seem to follow the more flexible approach and it remains to be seen to what extent the regulator's approach will be loosened. It is also worth challenging decisions given that the attitude of the courts is much less formalistic and rigid than that of the regulator.

PTMG SPRING CONFERENCE REPORT

Development, Debate and Discussion 'on the Docks'

Liverpool, U.K, 22nd and 23rd March 2010

In March of this year, over 350 dedicated trademark practitioners gathered at the new Hilton International Hotel in Liverpool to discuss developments throughout the world in pharmaceutical trademarks. Liverpool has come a long way in its 800 year history, evolving from a tiny fishing port to the fourth largest city in the United Kingdom. It is now a primary tourist attraction known for its fascinating history as an important mercantile centre, its impressive architecture and its musical heritage. The docklands area, which includes the Three Graces and Albert Dock, has been given UNESCO World Heritage Site Status. Not surprisingly, Liverpool is the prime destination for Beatles fans. The Beatles are, however, just part of the city's musical culture, including Frankie Vaughan, Billy Fury and Gerry and the Pacemakers.

Pre-Conference Dinner

A pre-conference dinner was held on Sunday evening at the Hilton International Hotel. Attendees mingled, dined, were treated to a speech by Hon. President Derek Rossitter and enjoyed magical table entertainment, all of which contributed to a warm welcome and a delightful evening.

DAY 1

The conference commenced with our Chairman, **Sue Evans'** opening remarks.



Richard Heath (Unilever UK)

Delivering the Alan Cox Memorial Lecture was **Richard Heath** (Unilever UK and INTA past President 2009). Richard began with an interesting insight into the importance of protecting the innovations of prehistoric man 1.4 million years ago. Today, IP remains fundamental to modern knowledge based economies. Richard went on to discuss his activities and accomplishments as INTA President during the past year, including his extensive travels throughout the world in support of trademark rights and protections. While there were significant advances, Richard noted that there was still much to be accomplished. Drawing on

the comments made at the Lisbon PTMG, he reiterated that IP remains 'under attack', and concluded that our Global economic prosperity depends on IP and we must continue to raise consumer and public awareness.

Following Richard, **Sara Ashby** (Redd Solicitors LLP, UK) spoke about recent European cases dealing with issues of reputation, keyword advertising and likelihood of confusion.



Sara Ashby (Redd Solicitors LLP, UK)

There was a discussion of the ECJ decision in *L'Oreal v. Bellure* where the court delivered judgment dealing with the definition of what constitutes unfair advantage of marks with a reputation. Among other criteria, the Court found that an advantage was unfair when a party attempted to intentionally ride on the coattails of the trade mark proprietor, and to exploit the proprietor's marketing efforts, without financial compensation. In essence, the consuming public makes a connection or link between the two products, thereby conferring a commercial advantage.



Sue Evans



Derek Rossitter

The English Court of Appeal subsequently considered the decision in *L'Oreal v. Bellure* in a case dealing with Whirlpool and Kenwood mixer products. However, in this case, the Court found that there was no intention to take unfair advantage of Whirlpool's reputation, as Kenwood had its own established reputation.

There was also a discussion of the ECJ decision in *Pago International v. Tiro* in which the ECJ found that the PAGO CTM reputation in Austria was sufficient to constitute a reputation throughout the Community.

Sara also spoke about keyword advertising and trademark infringement, and concluded her presentation with an interesting review of decisions of the Court of First Instance dealing with the likelihood of confusion of trademarks for goods in Class 5.

In the evening, PTMG attendees were taken by motor coach to the magnificent St. George's Hall for a gala cocktail and dinner reception after which, everyone was magically transported back in time and enjoyed dancing to the music of the 'Fab Four'.

The crowd was very happy to hear the announcement by Sue Evans that the next Spring conference is in Brighton.

DAY 2

Opening the second day of the conference

was **Cynthia Rowden** (Bereskin & Parr, Toronto). Cynthia discussed various developments in pharmaceutical trade mark law in North America, focusing on grounds for trade-mark applications, recent issues dealing with false statements of use, as well as confusing trade-marks and oppositions, trade dress and advertising in the pharmaceutical field. Her discussion compared and contrasted the Canadian and U.S. positions, confirming that there are very fundamental differences between the Canadian and U.S.

America, focusing on issues of customs and border measures, criminal sanctions for counterfeiting, trade mark use requirements and advertising. It was clear from her discussion that there are also very different approaches to all of these issues from country to country, which is mirrored by the differing approaches to harmonisation within Latin America and the multiple trading blocs (CAFTA-DR, Andean Pact and Mercosur).

After the coffee break, **David Butler** (GlaxoSmithKline, UK) provided an

The final sessions of the day nicely concluded the conference theme of 'development, debate and discussion'. **Michael Cover**, **Amanda Bucklow** and **Mark Linnel** (In Place of Strife, The Mediation Chambers), gave a thought-provoking discussion on strategies for success in IP mediation. They discussed practical tactics for choosing the right mediator, identifying realistic settlement zones and breaking deadlock.

Nick Wood closed the day with his presentation on policy developments with



Left to right, Cynthia Rowden (Bereskin & Parr, Toronto); Iris Quadrio (Marval O'Farrell & Mairal, Argentina); David Butler (GlaxoSmithKline, UK)



Left to right, Arty Rajendra (Rouse UK); Michael Cover (In Place of Strife, The Mediation Chambers); Nick Wood

approaches to many of these issues. Canadian courts have not followed U.S. decisions dealing with statements of fraud in trade mark applications. Similarly, there are notable differences between Canadian and U.S. laws in the area of trade dress protection for pharmaceutical tablets and capsules (colour and shape) as well as advertising of prescription drugs.

Following Cynthia, **Iris Quadrio** (Marval O'Farrell & Mairal, Argentina) discussed recent developments in the area of pharmaceutical trademark law in Latin

interesting industry perspective on counterfeit goods in transit, reinforcing the fact that the ability of rights holders to stop goods in transit is crucial to combat counterfeiting.

Ending the morning session, **Arty Rajendra** (Rouse UK) discussed the scope to which both Community and non-Community goods in transit can be subject to border control measures, the current state of the law in this regard and the obstacles faced by brand owners seeking Customs' assistance to intercept non-Community goods in transit.

ICANN and gTLD space. He discussed the implications of the controversial 'franchising' of the domain name system through the creation of unlimited gTLDs such as <.pharmacy>. He queried the impact that this would have on IPR protection and measures that brand owners can take to protect their trade mark rights once the process begins, which could be as early as November this year.

The conference was brought to a close with some concluding remarks from Sue Evans, and everyone went home with the sound of the Beatles in their ears ...

International Update

EUROPE: OHIM seems to switch position regarding products of classes 1 and 5

Franck Soutoul and Jean-Philippe Bresson, INLEX IP EXPERTISE, PHARMINLEX Department

In the *DROSETUX V DROSETIL* opposition, the Office for the Harmonization of the Internal Market (OHIM) has taken a step back when assessing the dissimilarity of 'chemicals used in the pharmaceutical and medical industry' with 'pharmaceuticals' as until now these products were regarded as rather similar.

This decision relied on the following considerations: these chemicals are usually bought by pharmaceutical companies in high quantities on the wholesale market; they are part of packaged products which are then sold as units over the counter in pharmacies or drugstores. They are manufactured in chemical production plants and processed in chemical laboratories or pharmaceutical companies where the finished products are made. Pharmaceuticals are supplied by pharmaceutical companies to pharmacies, hospitals, clinics and other healthcare institutions. The said products are not sold side by side. While it has been admitted that chemicals are used to manufacture pharmaceuticals, the connection between the two products has been regarded as too tenuous.

The Office has concluded that consumers of pharmaceuticals have no interest in large-scale purchasing of chemicals and the origin of the ingredients contained in the pharmaceuticals is not important to them. What is more, purchasers of chemicals have no interest in buying final pharmaceutical products.

EUROPE: The General Court explains inter alia how to define a sub-category of pharmaceuticals

Franck Soutoul and Jean-Philippe Bresson, INLEX IP EXPERTISE, PHARMINLEX Department

On 16 June 2010, the General Court raised some interesting points in the opposition *KREMEZIN V KRENOSIN*.

The prior trade mark covered 'pharmaceutical, veterinary and sanitary product' and was under a use obligation. The CTM applicant requested proof of use and use has been proven for 'a sterile solution of adenosine for use in the treatment of a specific heart condition, being for intravenous administration in hospitals'. The Board of Appeal considered that use was made for

'pharmaceutical preparations for the treatment of heart'. The Court confirmed this assessment and pointed out that a sub-category of pharmaceuticals is only defined by its therapeutic indication and cannot include the form, active substance, method and place of administration.

The Court added that the pharmaceuticals under comparison did have a high level of similarity because 'their therapeutic indications differ greatly'. Could this be seen a step back regarding the similarity of pharmaceuticals which was until now appreciated regardless of their therapeutic indications?

Finally, the Court said that the level of attentiveness of the public depended on the therapeutic indications of the pharmaceuticals concerned (the more serious the indications, the higher the attentiveness).

BENELUX: Assessment of the relevant public when ruling on the likelihood of confusion

Anton Artz, Leijnse Artz, Rotterdam, the Netherlands

On 23 February 2010 the Court of Appeal in The Hague (the Netherlands) overturned the first instance verdict in the case of *Novartis Vaccines and Diagnostics Ltd. v Solvay Pharmaceuticals B.V.* concerning the trade marks FLUVIRIN V FLURALIN, both for prescription-only influenza vaccines. The Court of Appeal ruled that FLURALIN does not infringe the trade mark FLUVIRIN.

The Court of Appeal agreed with the Court of first instance that FLUVIRIN was not devoid of any distinctive character, but drew nevertheless an opposite conclusion: by way of the diverging fourth, fifth and sixth letters, FLURALIN keeps enough distance to avoid likelihood of confusion. Interestingly, the substantive difference between the assessments in first instance and in appeal seems to be the value the Court of Appeal attached to the aspect of the relevant, expert public, that in view of the Court of Appeal mainly consists of doctors, nurse-practitioners and pharmacists. The Court of Appeal found (assumed?) that this professional public namely doctors and pharmacists will recognise the descriptive terms to which the parts 'flu', 'vir' and 'in' allude i.e., fluenza, viral and injection, respectively, since they are working in a market where it is not unusual that the trade mark refers to the properties of the product and thus familiar with somewhat resembling trade marks for distinctive

products. The Court of Appeal did not find the possibility of likelihood of confusion amongst the general public, namely patients to be of any relevance in this matter.

This case raises the question as to how well judges are capable of determining the threshold of likelihood of confusion amongst specific non-legal professionals, like doctors or pharmacists without any support of market research, but perhaps even more questionable is that, in times when the patient no longer plays an insignificant role in the doctor's decision which drug to prescribe, the Court of Appeal did not at all find relevant the possibility of likelihood of confusion amongst the patients/general public.

INDIA: No exclusivity in marks from chemical compounds

Abhishek Nangia, Ranjan Narula Associates, India

While hearing an Appeal from the lower court, the Gujarat High Court in *Acme Pharmaceuticals v Torrent Pharmaceuticals* held that no one can claim a monopoly in respect of a word which is descriptive of a particular drug used in medicinal production.

The High Court overruled the lower court decision which found the mark AROXIL to be similar to DROXYL and to infringe Torrent's registered trade mark DROXYL, which had been used since 1989. Acme had used AROXIL since 1996. Both products were derived from the chemical component cefadroxil.

The High Court was of the view that Torrent's mark was nothing else but an adoption of the last letters 'droxil' from the generic drug cefadroxil. DROXYL was a descriptive word of the drug cefadroxil. Acme had coined AROXIL by taking letter 'A' as the first letter of its own name and "roxil" from the last letters of cefadroxil and did not infringe Torrent's DROXYL mark. Also the use of similar marks (LYDROXIL, CODROXIL, ODOXIL, DROX-KID) by various third parties without objection by Torrent, and use of AROXIL since 1996, meant the balance of convenience was in Acme's favour.

MALAYSIA: Protection of Personal Data

Su Siew Ling, Tay & Partners, Kuala Lumpur

The long-awaited personal data protection law in Malaysia finally came through with the passing of the Personal Data Protection Act 2010 in Parliament

continued on the next page

on 5 April 2010. The Act is likely to be enforced sometime late next year, after the Royal Assent and gazetting although no firm date of its enforcement has been committed by the Minister. The law regulates the collection, holding, processing and use of personal data in commercial transactions and prevents malicious use of personal information.

Broadly, three categories of persons are affected by the Act: the 'data user' being the person (which would include a company or an association) who processes or who has control over or authorises the processing of any personal data in respect of commercial transactions; the 'data subject' being the person whose personal data is being processed (and relates only to a living individual) and the 'data processor' being a person, who on behalf of the data user, processes the data.

The law applies only if the data or information processed is personal data. This personal data must relate directly or indirectly to a data subject, who is identified or identifiable from that information or from that and other information in the possession of a data user. The data must be capable of being processed, wholly or partly by means of equipment operating automatically or recorded as part of a filing system (including manual processing in this instant). Personal data also includes the expression of opinion about the data subject. The law will give rise to new legal rights and obligations particularly in relation to employer-employee relationships, information processed by financial institutions and patient data collected by healthcare professionals. The Minister may require by gazette a class of data users that must be registered and a Register of Data Users be maintained. No indication has been given as yet what category of data users would fall within this requirement. The law only extends to a data user/processor established in Malaysia and the user processed data, whether or not in the context of the establishment, or if the data user/processor not established in Malaysia uses equipment in Malaysia for purposes of processing personal data otherwise than for transit through Malaysia.

The Act only applies to the processing of personal data in respect of 'commercial transactions'. A commercial transaction is widely defined as any transaction of a commercial nature, whether contractual or not which includes any matters relating to the supply or exchange of goods or services, agency, investments, financing, banking and insurance. The Act expressly excludes its application to the federal and state governments thus exempting public authorities, which represent the major data controllers and processors in the

country. The law is also not applicable to any data processed wholly outside Malaysia unless that personal data is intended to be further processed in Malaysia. Personal data which is processed only for the purpose of the individual's personal, household affairs and for recreational purposes is totally exempt. Partial exclusions from the law would include personal data processed for the prevention or detection of crime, for preparing statistics or research or for only journalistic, literary or artistic purposes or for the physical or mental health of the data subject.

The Minister will appoint a Commissioner of Personal Data Protection for the purpose of supervising the implementation of the Act. Failure to comply with the provisions of the law is punishable by a fine not exceeding RM300,000 and/or imprisonment for a term not exceeding two years, or both. Subject to the due diligence defence, directors, managers or other similar officers have joint and several liability for non-compliance by the body corporate. The remedies afforded under the Act are limited, as the Commissioner is not empowered to order compensation for damage to data subjects, and there is no express right of a data subject to pursue a civil claim for non-compliance or breach of the law. This is unlike the law in other jurisdictions such as Britain and Hong Kong where breaches of data protection law are subject to legal action under both criminal and civil law and any individual who suffers any damage or distress by reason of the breach would be entitled to file a civil suit and claim compensation for such damage or distress.

There will be significant changes in the way the private sector collects and keeps data and companies and organisations will need to embark on an audit exercise to examine their current policies, processes, contractual rights and obligations and third party notifications in relation to personal data. Personal data protection law is a step in the right direction in the protection of civil liberties and privacy, and its enforcement and implementation is anxiously awaited.

TURKEY: Now criminal provisions of Turkish patent decree law are cancelled, what is next?

Baris Kalayci and Sedef Köymen, Gün Avukatlık Bürosu Mehmet Gün & Partners

Further to the legal gap which was created in trademark legislation in recent years, another legal gap has also been created as to criminal provisions of the Turkish patent legislation as a consequence of the decision of Constitutional Court which entered into

force on 10 June 2010, whereby sub-sections (a) and (b) of Article 136, first paragraph and subparagraph (c) of Article 73/A setting forth criminal sanctions against patent infringements are annulled.

In this regard, offences like imitating, producing whole or a part of a product which is subject to an invention, without the consent of the patent holder as well as, selling, distributing, commercializing or importing such products can no longer be sanctioned as of 10 June 2010. The Turkish Parliament did not enact any laws in time to fill this gap in spite of being warned within the cancellation decision of the Constitutional Court and in light of the international criminal law principle 'Legality in Offence and Penalty' which is embodied in Article 2 of the Turkish Criminal Code as well.

What will happen to the pending criminal cases basing on patent infringement? Given the latest precedents of the 7th Criminal Chamber of Court of Appeals which is of the opinion that any criminal sanctions, totally or partially legislated by any 'Decree Laws' cannot be enforced, pointing out that such criminal sanctions should have been legislated by 'actual Laws' enacted by the Parliament, patent cases will not doubt follow the same route as trade mark infringement cases.

As it is also clear that the Court of Appeals does not think that such acts constitute 'unfair competition offenses' under Turkish Commercial Code either, patent infringements cannot be sanctioned anymore until and unless the Turkish Parliament enacts proper and brand new criminal provisions for the punishment of patent infringers in Turkey.

More importantly, hundreds of such criminal patent infringement cases started so far – either pending before First Instance Criminal Courts or Court of Appeals – are expected to be dropped and any products subject to those cases to be rendered back to the accused, which might force patent owners to start civil proceedings to be able to have such products destroyed. This will prove more complex and less cost-effective for right holders.

RUSSIA: Tuberculosis clinics get minilabs to prevent fake medicines

PETOSEVIC; Source: SecuringPharma.com

Three tuberculosis clinics in Russia have been equipped with GPHF-Minilabs – mobile mini-laboratories supplied by the Global Pharma Health Fund (GPHF) ≠ to protect patients from being treated with counterfeit medicines, the proliferation of which is a burning problem in Russia.

These small laboratories can quickly verify

continued on the next page

drug quality and detect counterfeit medicines, making it possible for doctors at clinics in Moscow, Russia's capital, and the cities of Vladimir and Orel in the western part of the country, to combat counterfeit pharmaceuticals which could increase the spread of drug-resistant strains of tuberculosis.

RUSSIA: Online Pharmacy uses PGEU endorsement logo without authorisation

PETOSEVIC; Source: Medical News Today (<http://www.medicalnewstoday.com/articles/189512.php>)

A Russian online pharmacy has been using the endorsement logo of the Pharmaceutical Group of the European Union (PGEU), a European association representing European Union pharmacists, on their e-commerce website, without PGEU authorisation, leading consumers to believe that the pharmaceutical goods sold on the Russian website are approved by this Brussels-based organisation.

The PGEU was informed on 19 May 2010 that the Russian-owned Internet pharmacy, named Canadian Neighbor Pharmacy, offering VIAGRA and other prescription drugs, posted the PGEU endorsement logo. The pharmacy was taken down on 20 May 2010. Its web address was www.cancarepharmacy.com.

By clicking on the PGEU logo, the customers would be redirected to a counterfeit certificate signed by the PGEU President Filip Babylon. The pharmacy also claimed that four other North American pharmacy associations endorsed it.

The European Parliament's Committee on the Environment, Public Health and Food Safety (ENVI) insists that the PGEU endorsement logo is displayed on all legal online pharmacies. Considering the apparent ease of counterfeiting the endorsement certification, PGEU calls for a better solution.

'Of course it is absolutely important that patients who wish to buy medicines legally on the Internet are given safe options to do so. However our experience shows that we run the risk of creating a false sense of security if counterfeiting certification is so easy. We should not put patients in the position of having to discriminate between fake and real certification. We need to explore technological options which put certification beyond the counterfeiters', stated the PGEU Secretary General John Chave.

The PGEU became aware of the unauthorised use of the endorsement logo when one of its members received a spam email message from the Russian

pharmacy with the alleged PGEU endorsement.

PGEU represents around 400,000 members, including national associations and representative bodies of European Union pharmacists in 30 countries.

Other links related to this story:
<http://www.euractiv.com/en/health/online-pharmacy-caught-faking-logos-news-494428>;
<http://www.securingspharma.com/40/articles/480.php>;

MOLDOVA: Intellectual Property Agency and State Medicines Agency sign cooperation agreement

PETOSEVIC; Source: Moldovan Intellectual Property Agency (<http://www.agepi.md/md/noutati/detail.php?ID=5082> in Moldovan)

On 25 May 2010 the Moldovan State Agency on Intellectual Property and the State Medicines Agency signed a cooperation agreement to improve law enforcement and protection of intellectual property rights in the pharmaceutical industry.

The agreement is supposed to help prevent the spread of counterfeit products that can endanger human life and health. The two institutions are bound by the agreement to create a working group that would implement the necessary security measures.

SYRIA: Pharma sector on the move with new regulations

Peter Hansen, Hansen & Partners, Damascus, Syria

The pharmaceutical industry in Syria appears to be undergoing an overhaul at the moment. The government announced in April that 35 new pharmaceutical factories would be licensed and built, creating 10,000 new jobs. This is in addition to the 65 factories presently operating.

For decades, the Syrian drug market has been closed to imports. But late last year, the government announced the lifting of restrictions on the import of Jordanian manufactured pharmaceuticals. Syrian pharmaceutical exports are also reported to be increasing, reaching US\$70 million in 2007.

In the last six months, at least three new pharmaceutical manufacturing companies have been established: Sana Pharmaceutical Industries, Al Mashreq Pharmaceutical Industries Co., and The Syrian-American Company for Pharmaceutical Industries (the latter having a US national shareholder).

In April this year, decree 24 of 2010 was issued for the regulation of trade in human medicines. The principal focus of

the new law is on the regulation of the trade in and use of substances for the making of medicines and pharmaceutical products through the licensing and control of 'warehouses'. However, the law also contains some important new provisions dealing with counterfeit products.

The Minister of Health, Ridha Said, said that 'The decree will increase the credibility of Syrian medical products and of the Syrian health system as a whole.'

The new law prohibits the manufacture, preparation, bottling, packaging, transporting, possession, storage, distribution, offering for sale and selling of 'counterfeit medical products', which are defined as follows:

'A medical product is to be considered counterfeit if [a] its production occurred in an unauthorised location, whether or not it contains an effective substance or an appropriate concentration, or [b] it contains a substance different from the one mentioned in the information card for the product, or [c] it uses a trade name or trade mark or other information that is untrue or misleading, or [d] the name of the country of production which is written on the internal container or the outside packaging is not the true name of the country of production, or [e] the certificate of origin has been counterfeited.'

There are a range of punishments laid down for violations of the new law. For example, anyone who counterfeits or participates in the counterfeiting of a medical product, or trades in them, is to be punished by between 5 and 10 years imprisonment with hard labour and by a minimum fine of 5 million Syrian lira (more than US\$100,000). If the product causes death or permanent disability, the punishment is increased to 20 years hard labour and a minimum fine of 10 million Syrian lira.

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Use of a trade mark by generic manufacturers: a necessity or a convenience?

Frédérique Potin and Sarah Bailey, *Simmons & Simmons, Paris*

It is, of course, helpful for a generics manufacturer to use the brand name of a drug in order to present its generic equivalent. The question is whether such use constitutes legal comparative advertising or an act of trade mark infringement.

In France, a decision of the Versailles Appeal Court handed down on 17 September 2009 has brought this issue into the limelight again, with the Court finding that use of the brand name of a drug in comparative advertising was not necessary and, therefore, constituted an act of infringement, although the comparative advertising itself was considered as legal.

Basic principles

The basic principle is that use of a third party's trade mark in the course of trade, without the latter's authorisation, constitutes an act of trade mark infringement. There are very few exceptions to this principle.

The first exception allows a third party to identify implicitly or explicitly the goods or services of a competitor in comparative advertising, if the advertising meets the conditions laid down in the French Consumer Code (including the requirement that the advertising must not take unfair advantage of the reputation of a trade mark nor present the goods as imitations or replicas of goods bearing a protected trade mark or trade name). If the advertising does not meet these conditions, the advertiser can be held liable not only on the basis that it constitutes illegal comparative advertising, but also that it is an infringement of the competitor's trade mark.

The second exception allows a third party to use a trade mark in order to indicate the intended purpose of a product or service, provided that there is no confusion as regards their respective origins.

Summary of the facts

Beecham Group plc is the owner of the French trade mark DEROXAT, used to designate an anti-depressant sold in France by GlaxoSmithKline. Sandoz (formerly known as G GAM) developed a generic equivalent for which it obtained a marketing authorisation. Subsequently, it published an advertisement in two journals intended for healthcare professionals, informing them of 'the forthcoming sale of the paroxetine G GAM (a generic of DEROXAT, published in the Official Journal of 01/11/2002)'. Beecham Group plc and GlaxoSmithKline filed proceedings against Sandoz for illegal comparative advertising and trade mark

infringement. The court of first instance and the appeal court held that the reference to DEROXAT constituted an infringement of the trade mark as this use did not constitute either legal comparative advertising nor a necessary reference to indicate the intended purpose of the goods. The French Supreme Court quashed the appeal decision and ordered that the case be tried again before the Versailles Appeal Court.

In its decision of 26 March 2008, the Supreme Court considered that by presenting the speciality paroxetine G GAM as a generic of DEROXAT, G GAM informed the public that this speciality had the same qualitative and quantitative composition of active ingredients and the same pharmaceutical form as the reference speciality. It therefore objectively compared the material, relevant, verifiable and representative features of these goods. Accordingly, the advertisement in question constituted legal comparative advertising.

In accordance with both the European Community and French rules on comparative advertising, by acknowledging that the advertisement met the conditions laid down by the French Consumer Code, the French Supreme Court was not required to decide on whether the use of the trade mark was 'necessary' within the meaning of the French Intellectual Property Code.

Since this decision, a number of judgments in similar cases appear to admit generic drug manufacturers' right to use the brand name of the original drug in advertisements intended for healthcare professionals. In a decision of 7 July 2009, the Supreme Court reaffirmed its position, quashing a judgment handed down by the Versailles Appeal Court, which found that Sandoz could not rightfully use the trade mark MOPRAL owned by AstraZeneca, in order to advertise its generic equivalent of the MOPRAL product.

It is in this very specific context that the Versailles Appeal Court chose in its decision of 17 September 2009 to assess whether the use of the original trade mark is necessary in order to indicate the intended purpose of the product, whilst at the same time recognising that the comparative advertising conducted by Sandoz was legal.

The Appeal Court held that the comparative advertising for the generic equivalent of the DEROXAT product was legal, insofar as (i) the generic equivalent of the drug does not constitute an imitation or replica of the original drug, but benefits from a specific legislative status, and (ii) the manner in which the

DEROXAT trade mark was reproduced demonstrates that Sandoz did not seek to take unfair advantage of the reputation of this trade mark.

The Appeal Court, however, went on to examine whether the use of the original trade mark was necessary and held that 'although the reference to the trade mark is convenient and easy, it is not however necessary as there exists for the relevant public [pharmacists in the present case] other means of identifying the intended purpose of the generic drug "paroxetine G GAM".'

Sandoz was, accordingly, held liable for trade mark infringement, even though the Versailles Appeal Court recognised that the disputed comparative advertising was legal within the meaning of the French Consumer Code.

Conclusion

It is interesting to note that the Versailles Appeal Court took care to establish that even though the comparative advertising was legal, the use of the trade mark was not 'necessary'. This would, therefore, appear to be an essential condition for the Versailles Appeal Court in determining whether comparative advertising is legal (a condition which does not, however, appear in the French Consumer Code).

Furthermore, the Versailles Appeal Court specifically excluded the application of the CJEU's *L'Oréal v Bellure* decision in a case involving comparative advertising. In this decision, the CJEU considered that the presentation of a perfume as having the same fragrance as a well-known perfume constitutes illegal comparative advertising given that the perfume is presented as being an imitation of the perfume sold under the trade mark with a reputation. In this respect, the Versailles Appeal Court specified that this CJEU decision concerned comparative lists in relation to perfumes and should not be applied to comparative advertising for generic drugs.

In any event, Sandoz, who has been ordered to pay 75,000 euros in damages, has appealed this decision before the Supreme Court. The Versailles Appeal Court's decision is therefore not final. Of even more interest will be the decision to be handed down by the appeal court designated by the Supreme Court to retry the MOPRAL matter, which is none other than the Versailles Appeal Court. The issue of comparative advertising in the generics sector is far from settled in France at present.

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PROFILE: Caroline van Dijk

Caroline joined Lysaght & Co. in 1983 and became managing director in 1990 following the death of her father. She focussed on expanding the business and brought in partners who took over the company from her in 2007. She now works as a part-time consultant and representative for Lysaght. Caroline specialises in the French-speaking countries of Africa and has built up a strong relationship with OAPI in partnership with Cabinet Ekeme, in Cameroon. She assisted with the revision of the OAPI and ARIPO laws and has represented INTA at Administrative Council and law review meetings.

Where were you brought up and educated?

I was born in the USA while my father was on a year's sabbatical teaching law at Tulane University in New Orleans. We returned to Holland before I was a year old, when Dad got his first real job setting up the Rotterdam Trade Mark Department for Unilever. When I was six he was transferred to the London office and I spent two years learning English in a village primary school in Surrey. My father's next career move took us to Jersey, after he bought Lysaght & Co. I attended Jersey College for Girls and then read law at Girton College Cambridge, followed by Bar exams at Gray's Inn.

How did you become involved in trade marks?

As a 20-year-old idealist I had every intention of becoming a legal aid lawyer and fighting 'Just Causes'. But after several years of working in a firm of Jersey Advocates, I succumbed to my father's pleas to join Lysaght & Co.

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

Fought 'Just Causes'.

Which three words would you use to describe yourself?

Vivacious, tenacious, loquacious.

What do you do at weekends?

Walking, sailing, cooking, pottering, socialising.

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

Rushing.

What did you want to be as a child?

A riding school instructor.

What do you wish more people would take notice of?

Public litter bins.

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

The same: sitting in the sun in the garden.

What is the best age to be?

The age you are now.

What would be your ideal night out?

On our boat anchored in a quiet bay, eating dinner by candlelight with family and friends

What is your philosophy in a nutshell?

Do as you would be done by.

What car(s) do you drive?

Red Fiat 500, VW California camper van.

What is your weakness?

Bead shops and haberdashers.



Which is your favourite restaurant?

The Royal Channel Island Yacht Club: friendly atmosphere, good simple food, beautiful views AND in walking distance.

What is your favourite holiday destination?

Where ever our boat happens to be: currently on the Dutch canals.

What is your favourite item of jewellery?

A gold 1950s Omega gentleman's dress watch given to me by my husband.

Where do you see yourself in 10 years' time?

In a house in France with grandchildren.

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

The external hard-drive with our family photos; a box with all the cards made by our children over the years; my jewelry box.

Which modern convenience could you not live without?

A mobile phone.