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Editorial

“What a lot of blackberries!”

In this age of fast advancing technology where, for example, a Blackberry® is no longer just a fruit and a Blue Tooth® is not a dental condition, one can be tempted to forget that access to the latest technology is not universally available.

The reasons for this are numerous and no longer only driven by price. Thanks

to the ease with which one can now shop all over the globe, profit margins are kept more closely in check.

Whilst eBay and other global shopping marketplaces continue to occupy a lot of our professions' time and effort for other reasons, the inherent advantages of the world wide web still remain inaccessible for large sectors of the global population. It is good to stop and remember that, whilst the active population uses and relies upon these new technologies on a daily basis, many of their end consumers – people for whom they design and

manufacture their range of products – are not as technologically aware.

This is currently very relevant in the developed world and will continue to be so for several decades throughout the globe as the ageing population lives longer. Such differences between the generations have always existed but today's technology-driven disparities can give rise to enormous inequalities.

In the world of pharmaceuticals, I would argue that this disparity also exists between the various professions. Doctors are often not as technologically fluent as the sales force of the pharmaceutical products they are prescribing and even less so than some of their patients.

Striving to improve this situation and aiming for a level playing field in global shopping for all types of commodities can and should provide positive benefits to all as the 21st century moves ahead.

I look forward to seeing you in Istanbul!

Vanessa

International Update

Canada : Registration in Canada without declaration of use for foreign applicants

Isabelle Jomphe, Goudreau Gage Dubuc, Montreal

In two recently published decisions, the Canadian Opposition Board concluded that Lancôme's marks DERMOTOX and MYOTOX for cosmetics were not confusing with Allergan's BOTOX mark, given the differences between the marks, the products and the channels of trade. However, Allergan succeeded in the oppositions on the basis that Lancôme's marks were not used in France as of the filing date in Canada, as claimed in the applications.

To support its ground of opposition, Allergan filed the results of a search on the website www.lancome.fr which suggested that DERMOTOX and MYOTOX were not in use or were abandoned. Lancôme did not file any evidence to show use of its marks in France and the Board therefore rejected Lancôme's applications.

This decision is a timely reminder of the importance of selecting the right basis of registration at the time of filing and ensuring that the facts support that basis.

Under Section 30(d) of the Canadian Trade Marks Act, a foreign applicant may register a trade mark provided that (i) it is applied for/registered in its country of origin and (ii) it is in use in any country for all of the listed products and services. One significant advantage of this section is that foreign applicants may register their marks in Canada without having to file a declaration of use. However, applicants should be prepared to show use of their mark in the foreign designated country as of the Canadian filing date. In the case of doubt, the basis of intent to use (or use in Canada, if applicable) should be claimed to avoid rejection of the application if it is opposed by a third party.

China: Supreme People's Court drafts interpretation on counterfeit drugs

August Zhang, Rouse & Co. International, Beijing

The Supreme People's Court has recently drafted a new judicial interpretation on the application of laws for criminal action against counterfeit and inferior drugs. The draft interpretation represents a positive step forward in taking tougher action against counterfeit drugs in China.

The draft contains some interesting developments. It empowers the Foods & Drug Administration at county level to verify drugs and issue certification as admissible evidence. It provides that criminal prosecution shall be pursued if counterfeit drugs are deemed “sufficiently causing serious injury to human health”. This includes situations where a drug contains harmful materials or has no active ingredients, offering prescription drugs without a proper license, indicating a forged ingredient or special category drugs such as stupeficient, psychotropic, radioactive, prophylactic, blood products, vaccine and injectible drugs.

In situations where counterfeit drugs do not fall into the definition of sufficiently causing serious injury to human health (e.g. a counterfeit drug containing an insufficient level of an active ingredient), it will be defined as an inferior drug. Criminal prosecution may be pursued against inferior drugs if serious injury to human health has actually occurred (as opposed to sufficiently caused for counterfeit drugs, which would only require potential injury) or if the value of the inferior drugs reaches RMB 50,000

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(approx. USD \$7,246) or more.

Another major development is that the draft interpretation imposes restrictions on the application of a suspended sentence against counterfeiters, although the wording of interpretation does not mean a ban on suspended sentences.

France: Turnaround against eBay

Franck Soutoul and Jean-Philippe Bresson, INLEX IP EXPERTISE, Paris

For the first time, eBay was condemned this summer in a two step case-law process. On 4 June 2008 the Court of First Instance of Troyes ruled trade mark infringement in favour of Hermes regarding the sale of counterfeit bags on the auction site. The judge also considered this case within the provisions of the Law on Trust for the Numeric Environment. Within the terms of this text, the technical measures put in place by eBay to ensure that both users and IP rights owners be wholly informed as to the authenticity of the products for sale were regarded as insufficient at the point in time when the litigation was brought.

On 30 June 2008 the Paris Trade Court ruled that eBay had the obligation to ascertain that its activities did not lead to illegal situations and was bound to ensure that sellers did not make exceptions to selective distribution networks. The judge ordered eBay to pay a total of almost 40 million Euros to the plaintiff who claimed that the sale of counterfeit perfumes infringed their selective distribution networks. He further prohibited eBay from the sale and distribution of the plaintiffs' perfumes and cosmetics.

We will monitor the appeals that have been lodged in these proceedings and report accordingly.

France: GOOGLE's AdWords system under the ECJ spotlight

Franck Soutoul and Jean-Philippe Bresson, INLEX IP EXPERTISE, Paris

Civil responsibility, trade mark infringement and unfair competition were the various grounds of action that were argued in French practice against GOOGLE's AdWords system. Until now, most French decisions have ruled trade mark infringement resulting from the reproduction and use of registered trade marks in the computer tool.

In a Court of Appeal decision dated 24 June 2006 involving Louis Vuitton, the court also ruled that infringement occurred by the mere display of the plaintiff's marks on the computer user's screen for identical and highly similar products and thereby found against GOOGLE. This matter was then referred to the European Court of Justice.

The court in particular asked the ECJ whether purchasing key-words which

reproduce or imitate trade marks and generate commercial links can be regarded as unauthorised trade mark use under EC rules. We will monitor the ECJ response and report further, especially given that the Oberster Gerichtshof (Austria) referred a question on a similar matter on 26 June 2008.

India: Distinctiveness of coloured tablets

Ranjan Narula, Rouse & Co. International, Dubai

In the recent decision of *M/s Cipla Limited v M.K. Pharmaceuticals CS(OS)*, the Delhi High Court considered a passing off claim based on the shape and colour scheme of tablets. The court held that 'medicines are not bought by colours by customers'. Instead, the judge observed that medicines are sold by name. Therefore, the court refused the plaintiff's claim and held that the distinctiveness of medicines is in their names and not in their colour or shape.

The decision has been the subject of debate amongst brand owners and practitioners, as the judge has entirely dismissed the role played by visual elements in pharmaceuticals and their packaging. It is arguable that the presentation of a pharmaceutical product, including the colour and shape of tablets, does act as a source identifier in the sense that it is comforting for a consumer to see that they are buying the right product. This is even more so in India, where low literacy rates suggest that visual presentation is a key identifying feature. It is interesting to speculate whether the judge may have come to a different finding had the plaintiff shown that it was the only one using the orange colour and shape of tablets for selling norfloxacin preparations and that other norfloxacin tablets in the market bear different colours and shapes.

Ireland: BOTOX win for Allergan

Maureen Daly, Beauchamps Solicitors, Dublin

On 24 June 2008, before the Commercial Court in Dublin, Allergan was successful in its trade mark infringement and passing off action against Ocean Healthcare Limited, the Irish distributor of the product, BOTOINA.

Allergan alleged that Ocean had infringed its registered trade mark BOTOX and was guilty of passing off its goods as or for the goods of Allergan on the basis that the get-up of the BOTOINA product was calculated to cause confusion in the minds of consumers. BOTOINA is a cosmetic (wrinkle treatment) product manufactured by Labo Europa SRL and distributed in Ireland by Ocean. BOTOINA is sold on the basis that the consumer first applies a cream which is contained in a glass bottle or vial with a syringe-like applicator. This is then followed, some days later, by applying a day, night and eye cream. The product existed in different

concentrations, depending on the depth of the wrinkles.

The court accepted that there was significant visual similarity between the marks BOTOX and BOTOINA and that their prefixes sounded similar. As in each word the accent is on the first syllable, the court believed that there was an aural or phonetic similarity. On the issue of the similarity between the goods, given that BOTOX has a well established reputation in the mind of persons seeking treatment for wrinkles, the court believed that BOTOINA sought to capture the same market. The court was also persuaded by the evidence presented before it that Ocean and Labo tried to create an interface between BOTOX and BOTOINA which would be blurred. As the use of BOTOINA was likely to create confusion with the public as to the origin of the goods, the court held that trade mark infringement had occurred.

The court found that the overall get-up and marketing of the BOTOINA product (with particular emphasis on the syringe-like applicator) was designed in such a manner as was likely to cause confusion. The court believed that Ocean was seeking to "piggy back" on the goodwill of the BOTOX brand. It therefore held that passing off had occurred.

New Zealand: New Patents Bill

Kate McHaffie, A J Park, New Zealand

A Patents Bill introduced to New Zealand's parliament on 9 July 2008 will ultimately replace the current Patents Act 1953.

For applicants in the pharmaceutical and life sciences industries, the most significant aspects of the new Bill are:

- no patent term extensions
- methods of treatment, diagnosis, and surgery on humans are not patentable;
- a springboarding provision to allow production of information for regulatory purposes
- an experimental use exception to patent infringement
- abolition of pre-grant oppositions
- expansion of the 'contrary to morality' exception to patentability
- examination for obviousness and world-wide novelty requirements
- obligations to advise of search reports from overseas applications

Some of these changes simply align New Zealand to international practice. Others, particularly the first four listed above, do little to create a patenting environment that is friendly to pharmaceutical and life sciences companies.

The Bill is unlikely to progress further through the parliamentary process this year.

Case note on Pankajkumar Patel v Allos Therapeutics Inc

Miss Sonia Proudman QC, Deputy Judge, Chancery Division, 13 June 2008

Bill Ladas and Charles Auty, SJ Berwin, London

A recent application before the UK's High Court demonstrates once again the increasingly wide uses to which individuals are attempting to put the provisions of the Human Rights Act 1998 (UK).

Allos Therapeutics Inc (Allos), an international biopharmaceutical company is the owner of US trade mark registrations for ALLOS and ALLOS THERAPEUTICS, INC (Logo) and maintains a website at the domain name www.allos.com. It has traded under its ALLOS trade marks since 1996 and is a Nasdaq listed company.

Mr Patel, a horticulturist, is a man who appears to be intent on waging an ideological war against the pharmaceutical industry. Mr Patel has made a practice of registering companies' names as internet domain names (usually in the form "[company name].com") and constructing a home page incorporating the relevant company's logo and trade marks. Notably, the domain names that Mr Patel registers do not contain wording that denotes that they will resolve to criticism sites.

In 2005, Mr Patel registered the domain name www.allostherapeutics.com (the Domain Name), although the domain name did not resolve to an active website. Not content with that, Mr Patel also registered a domain name relating to Allos' US lawyers, Swanson & Bratschun LLP, although that domain name was not the subject of this case.

When registering a .com domain name, the registrant (in this case Mr Patel) submits contractually to mandatory administrative proceedings governing any dispute relating to the domain name. Unsurprisingly, Allos took action to obtain a transfer of the domain name under the ICANN Uniform Domain Name Dispute Resolution Policy (UDRP), based on its earlier rights in the ALLOS marks/names. Following submissions, a (sole) panellist at WIPO upheld Allos' complaint and found that paragraph 4(a) of the UDRP applied in that:

- (i) the second-level of the domain name, "allostherapeutics", was confusingly similar to Allos' US trade mark registration for ALLOS THERAPEUTICS, INC (Logo) and the Allos Therapeutics corporate name;
- (ii) Mr Patel had no right or legitimate interest in the domain name; and
- (iii) Mr Patel had registered and used the domain name in bad faith.

On the bad faith point, it was common ground that, in registering the domain name, Mr Patel's intention was not to steal the company's business for his own financial gain. Instead, his bad faith was based on a pattern of conduct: evidence was brought showing that a selection of 13 out of 181 domain names registered to Mr Patel were domain names of well-known pharmaceutical companies. According to the panellist, Mr Patel "is a serial cybersquatter. In addition ... [he] has failed to provide sufficient evidence [...] to persuade the Panel of [his] stated intention to create a legitimate criticism site." On 11 June 2007, the panellist ordered that the domain name be transferred to Allos.

On 29 June 2007, Mr Patel went to the UK High Court seeking to have the UDRP decision set aside. Due to the UDRP appeals process, the onus was on Mr Patel to identify a separate cause of action under which to challenge the UDRP decision as the Court could not entertain an appeal or a judicial review. Miss Sonia Proudman QC, sitting as a Deputy Judge of the Chancery Division, commented that Mr Patel could not overturn the order of ICANN "unless he [could] show some right to retain the domain name" (page 8). A high burden indeed.

In the context of UDRP decisions, the court's function was not one of judicial review or appellate body (although the UDRP would, of course, abide by a judicial decision). The UDRP establishes a mandatory administrative procedure to govern disputes between trade mark owners and domain name registrants whose enforcement is based entirely on private contract and is distinct from the question of whether there has been an infringement of a trade mark owner's intellectual property rights under the law of any particular country. Because of this, where a complaint is upheld, the burden falls on the registrant to prove a cause of action giving them an interest in retaining the domain name which is, as this case shows, a significantly more difficult task for the domain name registrant than for the existing trade mark owner.

Mr Patel appealed on an unspecified ground under the Human Rights Act 1998, which was inferred to be a breach of his right to a fair hearing under Article 6 of the European Convention on Human Rights (ECHR). He also claimed that the panellist's decision infringed his right to freedom of expression enshrined in Article 10 ECHR. He further claimed that

the UDRP Policy and Rules contained unfair terms, presumably in contravention of the Unfair Terms in Consumer Contracts Regulations 1999.

None of Mr Patel's arguments was successful. While it was acknowledged that he was neither debarred from making legitimate criticisms of pharmaceutical companies nor from setting up proper criticism websites from which he and others might do so, he had instead chosen to usurp names and logos contrary to the UDRP policy. The right to freedom of expression in Article 10 ECHR was not unqualified and had to be balanced against Allos' right to freely enjoy its own rights and property.

The Deputy Judge noted that, while it is generally considered to be in the public interest to provide free speech forums for the purposes of criticism, Mr Patel had not taken the opportunity to provide or promote criticism towards Allos on the site and so had failed to exercise the right which he claimed had been infringed. Additionally, he had registered a domain name containing Allos' own trade mark with the clear intention of causing confusion in the minds of the public visiting the site: "It is hardly free speech to use a domain name and trade marks that Internet users will (and are meant to) associate with Allos in order to trick those users" (page 11).

While it was stated that Mr Patel's amended particulars of claim "in some respects combine and confuse polemic with legal formulation" (page 9), the Deputy Judge detected additional "potential" causes of action brought by Mr Patel:

- (i) Defamation and malicious falsehood: Mr Patel argued that his registration of the Domain Name involved neither trading nor competition on his part and Allos therefore had no cause of action against him. To say otherwise was both defamatory and, by making such a complaint under the UDRP, a malicious falsehood. This, the Deputy Judge felt, was misconceived. In particular, the Deputy Judge considered that Mr Patel could not complain that the description of him as a "serial cybersquatter" was false;
- (ii) Harassment: Mr Patel argued that Allos' cease and desist letter and commencement of UDRP proceedings constituted harassment for the

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purposes of s7(3) of the Harassment Act 1977 (UK). The Deputy Judge held that it was reasonable for Allos to proceed in this manner; and

- (iii) Threats: Mr Patel argued that Allos had made groundless threats of infringement proceedings in its cease and desist letter and this accorded him a right of action under s21 of the Trade Marks Act 1994 (UK). However, as that letter referred to Allos' US registered marks, "federal law" and the US Lanham Act, it was

plainly a threat of proceedings in the US and therefore the UK threats provisions could not apply. It appears that the Deputy Judge would have seen this as a viable cause of action in different circumstances.

Comment

This case is positive news for trade mark owners generally, as it demonstrates the usefulness of the UDRP process in protecting brands from bad faith domain name registrations (including when the domain name is for a criticism site that is

not actually in use, and where the second-level domain name is not clearly for a criticism site).

It further demonstrates the high threshold faced by unsuccessful domain name registrants like Mr Patel in finding a legal basis to overturn a UDRP decision. This is not surprising given that the UDRP is aimed at egregious domain name registrations. Importantly though, in a different case, a threats action may be used as a basis for an appeal.

Use of branding experts and survey evidence

(*esure Insurance Ltd v Direct Line Insurance Plc, Court of Appeal*

(*Arden, Jacob and Maurice Kay LJ*), 23 July 2008)

Emily Peters, Bird & Bird, London

In *esure Insurance Ltd v Direct Line Insurance Plc*, the UK Court of Appeal considered the use of branding experts and how their expertise should be directed. In addition, they affirmed the approach of the late Pumfrey J which requires parties to seek case management directions prior to conducting consumer surveys.

Facts in brief

esure Insurance Ltd (esure) filed a trade mark application for the three-dimensional shape of a computer mouse on wheels in relation to services in Class 36, including insurance services. Direct Line Insurance Plc (Direct Line) opposed the application under s5(2)(b) (likelihood of confusion) and s5(3) (dilution) of the Trade Marks Act 1994 (UK) on the basis of a number of earlier marks registered in Class 36 for a red telephone on wheels. Direct Line submitted survey evidence and the report of a branding expert, Mr Blackett, in support of its opposition.

The Hearing Officer at the UK Patent Office upheld Direct Line's opposition on both grounds, holding that on an overall assessment of the marks, there were visual and conceptual similarities which resulted in indirect confusion. However, the Hearing Officer rejected the survey evidence as being of no assistance and based his findings under s5(2)(b) on his own assessment of the two marks.

On appeal, Lindsay J held that no evidence of the likelihood of confusion had been adduced which enabled him to reassess the marks. Lindsay J overturned the Hearing Officer's decision under s5(2)(b) and held that although there must be a minimum level of similarity between the marks (which was met in this instance), there was no likelihood of confusion given that members of the public would view the parties as competitors rather than as associated enterprises. However, the Hearing Officer's decision under s5(3) was

upheld, and in doing so, Lindsay J relied heavily on the evidence of Mr Blackett, a branding expert. Such reliance was criticised by the Court of Appeal.

The Court of Appeal upheld the decision of the Hearing Officer under s5(2)(b), dismissed esure's appeal under s5(3) and affirmed that no threshold level of similarity is required.

Use of branding experts

Direct Line contacted Mr Blackett, the Chairman of an international branding consultancy as an expert on brand development, brand management and brand evaluation. He had no specialist knowledge of the insurance sector. Mr Blackett was asked to give evidence on a number of topics including the importance of brands, both in general and in the insurance sector, the specific brands at issue in this case, and whether the use by esure of its mark would result in confusion or association, unfair advantage, detriment and damage and a restriction of advertising strategy.

Mr Blackett opined that Direct Line's red telephone mark was iconic and very well known in an industry in which companies were traditionally conservative. He considered the mark to be both striking and original. In the opinion of Mr Blackett, consumers would confuse esure's mark with Direct Line's mark. He assessed the similarity of the marks on the basis of both marks consisting of oblong, block-like shaped desk top objects on chunky wheels. He stated that this similarity, particularly if esure used its mark in the colour red, would cause a significant proportion of the public to confuse the esure mark with the Direct Line telephone device, the Direct Line company and its business. He further considered that the use by esure of its mark would be parasitic to Direct Line's earlier mark, diluting its originality and

leading to an erosion of the distinctiveness of the brand.

The Court of Appeal strongly criticised the use of Mr Blackett's evidence to convey that the Direct Line mark was very well known, this being a matter of fact which did not require the expense of expert evidence. The court further criticised the basis of Mr Blackett's similarity assessment of the marks as being similar oblong, block-like shaped desk top objects. Arden LJ held that the average consumer would not view the marks on this basis but rather, as a mouse on wheels and a telephone on wheels, and as such the opinion put forward by Mr Blackett was 'empty rhetoric' and did not represent the view of the average consumer.

The Court of Appeal held that expert evidence should not be used where the court can make its own comparative assessment of the marks. Questions of confusion were legal questions for the court and in any event, Mr Blackett was not an expert in confusion but in brand management. Accordingly, expert evidence in such cases should be confined to markets which were unfamiliar to a layman where the court would be unable to put itself into the position of the average consumer in that market. As such, expert evidence should be directed to a consideration of the market in question and should not opine on confusing similarity.

Survey evidence

Direct Line's solicitors carried out a mini-survey which warranted the conduct of a full scale public survey. The full survey involved showing four groups of between 500 and 578 people four representations of a computer mouse on wheels in face to face interviews. The Hearing Officer recognised that surveys are an artificial

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means of assessing the perception of the 'average consumer', however, they can give an indication of likely consumer reaction to the marks.

In rejecting this survey evidence, the Hearing Officer identified a number of flaws. He concluded that the questions were not particularly leading but that the reference to 'a new logo of an insurance company' on presenting images of a mouse on wheels to consumers may have led to consumers speculating in a way in which they would not have done save for the question. Direct Line adduced the assessments of three experts as to the results shown by the surveys. The Hearing Officer warned that a certain degree of caution should be taken when considering such assessments as, due to the imprecise manner in which consumer responses are approximated to codes, there is often some discrepancy between the expert's assessment and what is shown by examination of the raw material. These issues are compounded by the manner in which responses are grouped to produce headline results.

esure's challenge to the survey evidence revealed that one of the interviewers had not completed all of the surveys that they had signed off and another had

paraphrased the consumer responses resulting in responses appearing similar, while the level of supervision and checking of the survey was inadequate. The esure evidence concluded that the work of 20 out of the 60 interviewers was unreliable or dishonest.

The Hearing Officer held that these procedural defects would not undermine the broad picture as to the level of association. However, he further considered the effect on consumer perception of Direct Line's marketing campaign in which it featured a mouse on wheels as a friend for its red telephone on wheels. This was run prior to and concurrently with the survey. He concluded that the advertising campaign introduced too much uncertainty into any poll of consumer perception and rejected the survey evidence as being of no assistance.

The Court of Appeal approved the Hearing Officer's rejection of the survey evidence as being of no evidential value. The Court approved the practice set out by the late Pumfrey J at an interim hearing in *O2 (UK) Limited v Hutchison 3G (UK) Limited* [2006] EWHC 601 (Ch) in which parties must seek case management directions as to the scope or

methodology of the proposed survey and set out details of the proposed questions in any application.

It is often the case that where survey evidence is adduced, the evidence of market researchers in explaining the conduct of surveys and results is necessary. It is not settled law as to whether or not the evidence of such an individual should be treated as expert evidence. In *O2 v Hutchison*, Lewinson J excluded the survey evidence put forward by O2 which had been obtained without seeking case management directions as being inadmissible under CPR35.4 being expert evidence adduced without the permission of the Court. However, in *Reckitt & Colman Products Ltd v Borden Inc (No2)* [1987] FSR 407, it was held that such evidence did not constitute expert evidence. In any event, it seems that parties must follow the approach set out by Pumfrey J, this having been further approved in *Whirlpool Corporation and others v Kenwood Ltd* [2008] All ER (D) 38. However, the Court of Appeal noted in *esure v Direct Line* that, even following the approach of Pumfrey J with careful consideration at the case management stage regarding the questions to be posed and the methodology of the survey, the unexpected can still happen.

US Update

James A. Thomas, Troutman Sanders LLP, Raleigh

The US Court of Appeals for the Tenth Circuit recently extended a 2007 decision of the US Supreme Court regarding declaratory judgment actions to trade mark cases. By filing a declaratory judgment action, a party under threat of infringement need not wait until a rights owner files formal infringement proceedings, but can request a court to resolve the rights owner's claims and remove the cloud of uncertainty. However, the party filing such an action must establish that the threat creates an "actual controversy". Last year, the Supreme Court relaxed the standard for deciding when a threat of patent infringement becomes an actual controversy. In the Circuit Court's decision, the court found that it was required to apply the Supreme Court's analysis to trade mark cases as well. As a result, parties accused of trade mark infringement may find it easier to seek a declaratory judgment action. *Surefoot LC v Sure Foot Corp* 2008 U.S. App. LEXIS 14327 (10th Cir., 8 July 2008).

The Trademark Trial and Appeal Board (TTAB) upheld an examining attorney's refusal to register the mark LIQUIDADVANTAGE for pharmaceutical manufacturing services featuring liquid fill and finishing technology. The applicant had submitted a specimen of use

consisting of the first page of a brochure describing automated control software used in its liquid fill and finishing lines. The examining attorney found that this specimen was not evidence of use of the mark for the described services. The TTAB agreed, holding that even though the specimen may have referred to software used in the rendering of pharmaceutical manufacturing services, this was not sufficient to establish use of the mark for the identified services. The case represents an important reminder that US requirements for specimens of use must be carefully considered. In *re DSM Pharmaceuticals, Inc. Serial No. 78373640* (TTAB, 4 June 2008).

In another ruling, the TTAB reversed an examining attorney's refusal to allow registration of the mark THE FARMACY. The examining attorney had concluded that the mark was merely descriptive for the services in the application, which included retail store services featuring natural herbs and organic products and integrated health services at retail locations in the nature of dietary and nutritional guidance. The TTAB found that the mark would not be seen by consumers as merely a misspelling of the word "pharmacy", but would also be seen as a play on the word "farm" to suggest natural or farm-fresh characteristics. As a result, the TTAB

found the mark to be suggestive. Following the decision, the mark was approved by the examining attorney and published for opposition on 29 July 2008. In *re Tea and Sympathy, Inc., Serial No. 77054914* (TTAB, 18 June 2008)

In June, the USPTO issued a series of proposed amendments to the Trademark Rules of Practice. The amendments are intended to clarify certain requirements and make other changes which conform the rules to current USPTO practice. Proposed amendments include:

- (i) a rule that expressly prohibits a registration that is identical to an earlier-filed registration
- (ii) a statement that concurrent use registration proceedings are not available to applications based solely on section 44 (foreign registrations) or section 66(a) (Madrid Protocol)
- (iii) a rule clarifying that classifications of goods and services in section 66(a) applications cannot be changed from the classification assigned in the international registration, which also precludes moving goods or services from one Class to another
- (iv) changes to signature, representative, and address requirements.

The full proposals are available at <http://www.uspto.gov/main/trademarks.htm>.

Repackaging: the current state of play

Jürgen Römheld, Boehringer Ingelheim GmbH

On 26 April 2007, the European Court of Justice (ECJ) rendered another ruling in the cases brought by Boehringer Ingelheim, GlaxoSmithKline and Eli Lilly against the UK importing companies Dowelhurst and Swingward.

Originally filed in 1999 in the United Kingdom, the cases were merged by the High Court and referred to the ECJ in 2000. Following the ECJ judgment of 2002 (Case C-143/00) which was largely in favour of the plaintiff companies, the High Court rendered its judgment in 2003. This judgement widely followed the guidance of the ECJ.

The case was appealed to the UK Court of Appeal. Not convinced by the past findings of the High Court, the Court of Appeal referred the case to the ECJ for a second time. In particular, the court requested guidance with regard to the European Free Trade Association's judgment of 8 July 2003 (Case E-3/02) in the matter *Merck & Co. v Paranova AS*. This judgment is well-known because of its liberal statements with regard to Paranova's co-branding.

On 26 April 2007, the ECJ released its judgment on the basis of the second referral in *Boehringer Ingelheim II* (C 348/04). In contravention of many of the proposals expressed in the Opinion of AG Sharpston, the ECJ confirmed most of its past case law on repackaging. In summary:

BMS criteria

The Bristol-Myers Squibb (BMS) criteria also apply to re-labelled products.

Damage to reputation

Damage to the reputation of a trade mark and its proprietor is not only caused by defective, poor quality or untidy repackaging but also by other activities of the importer. The ECJ listed a number of examples:

- additional labels that wholly or partially obscure the proprietor's trade mark;
- affixing the importer's logo, house-style or get-up on the product;
- use of the get-up for a number of different products ('co-branding');
- failing to state on the additional label that the trade mark belongs to the proprietor;
- printing the importer's name prominently on the product (e.g. in capital letters);

- not affixing the trade mark to the new exterior carton ('de-branding'); and
- advertising by the importer which creates an impression of commercial connection between the importer and the trade mark proprietor (mirroring the BMW judgment, Case C-63/97).

The ECJ affirmed that it is for the national court to decide in the circumstances of each case whether or not there is damage to reputation. This will no doubt cause much diversity in the findings of courts across the EU member states.

Co-branding

With respect to co-branding, the ECJ stated that the "necessity test" refers to repackaging (or reboxing) only and not to the manner or style in which the product has been repackaged. Thus, trade mark owners can only object to co-branding on re-boxed products where it is established that there has been damage to the reputation of the trade mark and its proprietor. Again, according to the ECJ, it is for the national court to decide in the circumstances of each case if there has been such damage.

This finding has been questioned, as it appears to be in contradiction to the ECJ's own findings in *Loendersloot vs. Ballantine* (C-349/95, par. 46), which comments that "... [the repackager] must use means which cause as little prejudice as possible...". Based on this judgment, the "minimum interference" doctrine had been developed in continental and Nordic case law since 1997.

The burden of proof

The court takes a two-step approach to the burden of proof. Each party must give evidence for their own allegations. First, the parallel importer must provide initial evidence that the presentation of the product would not damage the reputation of the trade mark or its owner. In turn, the trade mark owner must provide evidence that the repackaging in fact damages its reputation.

The crucial question is where to find the balance. Again, it is not difficult to predict that this will cause much variety in findings across the EU member states.

Financial remedies for failing to give prior notice

The ECJ provided some general guidance on financial remedies for failing to give prior notice. Courts must apply the same standards that they would in regards to spurious goods. Again, it is for the national court to determine the amount of the financial remedy.

The consequences of this statement appear to be somewhat obscure. Will it cause a substantial increase in the sanctions imposed in such cases? Will the compensation for trade mark infringements by the license fee calculation (depending of the country, 1-5%) be enlarged? Even if so, this arguably will not be the kind of sanction that importers will be afraid of given the margins that they earn.

Based on these findings, the UK Court of Appeal heard the case again in January 2008. In its judgment of 21 February 2008 ([2008] EWCA Civ 83), Lord Justice Jacob made it clear that he intends to find in favour of the importers. In his view, the respective co-branding activities appear to be acceptable under the ECJ's new finding, given that any damage to reputation of the trade marks and their owners had already been dismissed by Laddie J in his High Court judgment of 2003.

However, the saga continues: with obvious reluctance, LJ Jacob admitted that the ruling could be in contradiction with ECJ's case law in *Loendersloot v Ballantine* regarding "minimum interference". This issue, however, is the subject of another referral to the ECJ, which has been pending since 2005 (C-276/05 *Wellcome v Paranova Austria*, O. J. C 217/29 of Sept. 3, 2005). Thus, the Court of Appeal has stayed the case.

Meanwhile, Dowelhurst has gone into administration and the importers have filed applications on costs. The claimants have applied for a stay of the proceedings and have filed leave to appeal to the House of Lords. These developments will be considered by the full court after October 2008. The *Wellcome v Paranova Austria* case was heard by the ECJ in April and the Advocate General's Opinion has not yet been published; a judgment is unlikely to be available before 2009.

The 10th anniversary of this case is just around the corner.

PROFILE: Robert Lee

Bob's legal career began as a patent attorney with Benasutti Associates in 1977. After a short time, Bob left Benasutti and joined the patent department of Sperry Univac (known today as Unisys) and then joined ITT's Patent Operations before taking a patent position at Squibb Corporation in Princeton, New Jersey in 1983. When Squibb merged with Bristol Myers in 1989, Bob joined Lilly in Indianapolis doing patent work until 1994 when he became trade mark counsel. Bob is a member of the bar in Indiana and Pennsylvania, a registered patent attorney with the US Patent and Trademark Office and a Committee member of PTMG.



Where were you brought up and educated?

I was born and raised in Philadelphia, Pennsylvania in the US. All of my formal education took place in that area. I graduated from Villanova University with a B.S. in Physics and from Drexel University with an M.S. After working five years as an electronics engineer for the US Department of Navy, I began attending law school at night at Temple University. I graduated with a J.D. in 1976. While in law school I passed the US Patent and Trademark Office examination and was registered as a patent agent. On graduation from law school and acceptance as a member of the bar in Pennsylvania, I became a registered patent attorney.

How did you become involved in trade marks?

After ten years as an engineer and upon graduation from law school, I began working as a patent attorney. I spent some time in private practice and then several years in corporate practice. During this time I took a job with Eli Lilly and Company as a patent attorney for Lilly's medical device division and moved my family from Philadelphia to Indianapolis in 1990. Lilly spun off its medical device business in 1994 at about the same time that the head of the trade mark department, Hugh Swenson, retired after many years on the job at Lilly. Lilly's trade mark department in the '90s was quite small and there was no one in house to fill the position. I volunteered for the position and, amazingly, I'm still at it today.

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

While in those days I considered medical school and the academic life, likely I would have continued as an engineer for the Navy. Typically, career engineers would take early retirement in their mid-fifties to continue work with military contractors. I might be working on the missile defense system today.

Which three words would you use to describe yourself?

Friendly, inquisitive, relaxed.

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

Theology, mathematics, physics and chemistry. You might wonder what I am doing in the world of words.

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

Entering the work force prematurely and as a government employee. Working in research with only a B.S. in science didn't equip me to do the job well. In addition, I think government benefits greatly from employees who have practical experience in the private sector. The combination of inadequate schooling for the job at hand and having little practical experience made my early career a struggle.

What do you do at weekends?

A healthy dose of working outside on my estate of just under a half an acre. I only have a suburban home with a little land, but I have plenty of trees and bushes, which need work after the growing season. I enjoy the immediate satisfaction of seeing progress in the work I've done. The outside air and exercise are immensely therapeutic. I often wrap up the day with a barbeque with my wife and children who might be available to drop in with the grandchildren.

What's the best thing about your job?

Seeing trade marks I've been associated with make it to the marketplace. In the US, direct-to-consumer advertising is permitted. It's satisfying to see how alive the brand can be.

What did you want to be as a child?

A scientist. In the '50s while I was still in grammar school, the Soviet Union successfully launched Sputnik as a man made satellite, the only satellite we had then besides the moon. Later, President Kennedy promoted the space program in the US. Science programs and engineering buildings began proliferating all throughout the US. It was a dynamic time. Today I would like to be an economist.

What does all your money get spent on?

Eating out at restaurants with my family, and wine for meals at home.

What is the best age to be?

Thirties and forties. You're busy with a career, you've started a family, you're young enough to have the energy to live a busy life, and you have great purpose in life. Earlier you're full of uncertainty and later full of memories. In the middle, you're most alive.

What's your philosophy in a nutshell?

Invest in yourself and take responsibility for your actions.

Who was your mentor / role model?

My father: a tremendous husband, father, grandfather, brother and homemaker. He was athletic, self educated, religious, kind, patient and always optimistic. He knew how to box, throw a softball, serve a tennis ball, shoot a basketball, ballroom dance and swim the Australian crawl. He loved history and opera. His only failing was that he didn't like rock and roll.

What car(s) do you drive?

Modest ones. Family cars. I always envisioned driving a sports car, but my waistline and aching knees and back prevent me from doing so comfortably. My cars float; they don't hug the curves in the road.

What is your weakness?

Eating and watching TV.

Which book changed you?

Crime and Punishment by Dostoevsky. There is an inner voice that tries to keep you on the straight and narrow.

What is your favourite film?

Crimes and Misdemeanors. It is argued that one can overcome the inner voice. A close second is *Chariots of Fire*, a brilliant movie taken from the lives of athletes who represented Great Britain in the Olympic summer games of 1924.

Which word or sentence do you most often say?

"You can't put an old head on young shoulders."

Members' News

New Members

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

Brannon Cashion of Addison Whitney, 11006 Rushmore Drive, Suite 350, Charlotte, North Carolina 28277, USA

Louise Zafer of Lovells LLP, Atlantic House, 50 Holborn Viaduct, London EC1A 2FG, UK

Eleonora Bracco of Bianchetti Bracco Minoja SRL, Via Plinio 63, 20129 Milan, Italy

Julie Hughes of Spoor & Fisher Jersey, PO Box 281, Africa House, Castle Street, St Helier, Jersey JE4 9TW

Andrew Lockhart of Shelston IP, Level 21, 60 Margaret Street, Sydney, NSW 2000, Australia

Imogen Wiseman of fJ Cleveland, 40-43 Chancery Lane, London WC2A 1JQ, UK

Jane Martin of Brookes Batchellor LLP, 1 Boyne Park, Tunbridge Wells, Kent TN4 8EL, UK

Dawn Moodie of Marks & Clerk, Atholl Exchange, 6 Canning Street, Edinburgh EH3 8e.g, Scotland, UK

Matthew Sammon of Marks & Clerk, 43 Park Place, Leeds LS1 2RY, UK

Franck Soutoul of Inlex IP Expertise, 68 rue Pierre Charron, 75008 Paris, France

Moves and Mergers

Howard Cohen has left Patrix and is now working with WWIPPS Sarl of PO Box 2265, L-1022 Luxembourg, Luxembourg

Marc Dalby, formerly with Merck Sharp & Dohme Ltd, is now a consultant with Lovells LLP of Atlantic House, 50 Holborn Viaduct, London EC1A 2FG, UK

Jackson, Etti & Edu (members are **Chinyere Okorocho** and **Uwa Ohiku**) have moved their office to RCO COURT, 3-5 Sinari Daranijo Street, Victoria Island Annex, Lagos, Nigeria

David Stone (partner), **Lisa Ritchie** (associate) and two trade mark administrators have joined the London office of Simmons & Simmons from Howrey LLP.

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.

Vivian Chan and **George Ribeiro** of Vivian Chan & Co, Hong Kong

Mr G Hall of Lloyd Wise & Co, Hong Kong

Michael Blum of Alpharma, USA

Cristobal Porzio of Porzio, Rios & Asociados, Chile

Athos Demetriou of Athos Demetriou & Associates, Cyprus

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

Headaches for the double-headed consumer?

Franck Soutoul and Jean-Philippe Bresson, INLEX IP EXPERTISE, Paris

In its ruling on the likelihood of confusion between TRAVATAN and TRIVASTAN for pharmaceuticals on 26 April 2007 (Case C-412/05 P), the European Court of Justice (ECJ) upheld that the relevant public for an assessment of the likelihood of confusion is composed of both end users and healthcare professionals, even though the products were only available on prescription. To this extent, it has created a kind of “double-headed consumer” specifically for pharmaceutical products. However, it remains to be seen how European case law will apply the ECJ's principles, what level of attention should be attributed to the relevant public and how these factors will influence the assessment of likelihood of confusion.

More than one year later, the “relevant public” stipulated by the ECJ has not been applied systematically in European case law. Some decisions dealing with pharmaceutical trade marks avoid entirely considering healthcare professionals as part of the relevant public. For example, the Office for the Harmonization of the Internal Market (OHIM) recently commented that “the attentiveness of the

relevant public is of average character as the goods of the marks in dispute [VALCYTE / VALZID] are purchased by the average consumer” (Opposition no. B1126426, 5 May 2008).

Other decisions only applied the two-headed consumer test if the products specified are used by both medical professionals and the general public. In this regard, the Second Board of Appeal (Case R 1196/2007-2, 26 June 2006, TARAXAL / PRAXAL) retained healthcare professionals as part of the relevant public given that the applicant's goods were drugs to reduce side-effects produced by cancer therapy. The Board also took into account members of the general public, given that the opponent's goods covered the wider category “pharmaceutical preparations”. In general, both professionals and end-users are taken into account by case law.

It is not clear from the TRAVATAN case what level of attention should be granted to this double-headed public. In an interesting decision on 19 May 2008 (Case R 745/2007-2), the Second Board of Appeal indicated that “the level of

attention of professionals in the field of health is particularly high since a doctor or pharmacist is, because of his training, normally capable of perceiving even minimal differences between pharmaceutical trademarks and is required, as part of his professional duty, to advise the patient with diligence and attention, after having carried out the necessary checks where appropriate”.

With regards to the final non-professional user, the Board added that the user “is deemed to be reasonably observant and circumspect as regards his state of health and will pay a higher degree of attention when buying pharmaceutical preparations, all the more when these are meant to treat serious or chronic illnesses”. Other decisions do not consider the issue in any depth, but a high level of care is generally applied.

To conclude, European case law is still deciding on a case by case basis and trade mark owners should be wary of applying a standard approach when assessing the consumer of pharmaceutical products, double-headed or otherwise.

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