The location of the Autumn PTMG conference was an opportunity to immerse oneself in the Portuguese sense of adventure which centuries ago led to the discovery of vast parts of the globe. In particular, the Maritime museum of Lisbon pays tribute to the courage of individuals and the support they received from the collective bodies of the time to go to the ends of the earth – literally! – to pursue their goal.

How fitting therefore that barely six weeks after standing in front of the plaque commemorating the signature of the Lisbon treaty, the finishing touches of this next great human adventure should be announced. Ever since the beginnings of the construction of Europe, it has been the combination of individual determination and collective support which has kept this ideal moving forward.

At every level and in every country, albeit at different moments in time over the past 50 years, projects such as school exchanges, twin towns, cultural visits have been brought to fruition by individuals keen to encourage mostly young people to discover other countries, customs, languages and peoples. Whatever the scope of these types of discoveries, they are essential to the understanding of others and must continue to be championed and to flourish. Human contact will always bring greater understanding than contact in the virtual world.

During the past decade we have been witness to a vast and fast expansion of the European Union and one can expect this to continue in the years ahead. European institutions exist and function, however cumbersome may seem their bureaucracy. Directives are promulgated into national laws and through such harmonization nationals of every country enjoy improvements in all walks of life. And yet the citizens themselves are rarely positive when referring to Europe and do not vote massively for this specific body politic. One must hope that the recent nominations of two competent and diverse individuals will inspire a greater sense of discovery in our collective future.

Regarding the immediate future, the PTMG Chairman and Committee are excited to announce that LL&P will be moving to an electronic format during the course of 2010, thereby providing our high quality publication to you faster and in a more ecologically friendly manner. In the meantime, we wish you all the very best for the New Year.

Vanessa

U.S. Update

James A. Thomas, Troutman Sanders LLP, Raleigh, United States of America

In re Bose Corporation, 91 USPQ2d 1938 (Fed. Cir. 2009), the U.S. Court of Appeals for the Federal Circuit (CAFC) held that to prove fraud in procuring a registration or renewal requires proof that the applicant or registrant had a subjective intention to deceive. This decision of the CAFC reversed a decision from the Trademark Trial and Appeal Board (TTAB) that the registrant had committed fraud by signing an affidavit of use on the basis of an unreasonable belief that it was using the mark. The CAFC critisised the TTAB ruling, finding that it erroneously lowered the standard for proving fraud. Instead, the CAFC held that ‘a trade mark is obtained fraudulently . . . only if the applicant or registrant knowingly makes a false, material representation with the intent to deceive the [U.S. Patent and Trademark Office]’. The CAFC also explained that although such intent can be inferred from indirect and circumstantial evidence, ‘such evidence must still be clear and convincing.’ The CAFC found that there can be no fraud in the case of ‘an honest misunderstanding or inadvertence without a wilful intent to deceive.’ This decision brings some clarity back to the law with respect to proving fraud on the USPTO, effectively overturning an earlier line of TTAB decisions that had applied a lesser standard for proving fraud.
ECJ ruling on implied consent in parallel imported goods
Lisa Ritchie, Simmons & Simmons, London, United Kingdom

Parallel imported goods are a hot topic in the world of pharmaceutical trade marks, with some of the most vigorously contested cases being acted out in the pharmaceutical arena.

Under Article 7(1) of the Trade Marks Directive, a trade mark owner cannot prohibit the use of a trade mark in relation to goods which have been put on the EEA market by the owner or with its consent. This is called the ‘exhaustion of rights’ principle and effectively opens up the EEA market to parallel trade within its member states. Parallel trade within the EEA is qualified only by Article 7(2) of the Directive, which states that a trade mark owner can oppose the further commercialisation of goods that it has placed on the market where there exist ‘legitimate reasons’ to do so.

European courts are continually refining the principles surrounding, and limitations on, parallel trade within the EEA, which has very practical impacts on pharmaceutical trade mark owners. This article briefly flags some of the areas of ambiguity that have been faced by the European courts, before discussing the particular issue of ‘consent’ in light of a recent ECJ ruling.

Areas of ambiguity surrounding parallel imports

The most controversial topic surrounding parallel imports is what constitutes a ‘legitimate reason’ to prohibit parallel trade within the EEA. The so-called ‘BMS criteria’ define the requirements that a parallel importer must satisfy in order to parallel import goods which have been repackaged within member states of the EEA:

- the repackaging/relabelling must be necessary;
- the original condition of the product must not be affected;
- the repacker and the manufacturer must be identified on the new packaging;
- the presentation of the goods must not damage the reputation of the trade mark or its owner; and
- the trade mark owner must have been given advanced notice and supplied with a sample of the goods.

The issue of what constitutes ‘damage’ to the reputation of a trade mark owner has been particularly difficult and was the subject of the Boehringer series of cases (Cases C-143/00 and C-348/04). It is settled law that damage to reputation will, without limitation, be caused by packaging that is defective, of poor quality or untidy. However, beyond those stipulations, the boundaries of the BMS criteria as they apply to repackaged, over-labelled, re-boxed, co-branded and de-branded goods are under constant scrutiny, as discussed by Nick Beckett at PTMG’s Autumn conference in Lisbon (conference report on pages 6 and 7).

Other areas of uncertainty surrounding parallel importation are slowly being unravelled and clarified by the courts, including a recent affirmation by the ECJ that there is no principle of ‘minimum intervention’ which requires that repacked goods have the least possible adverse effect on a trade mark owner’s rights (Welcombe v Paranova, Case C-276/05). Courts have also grappled with a parallel importer’s obligation to give notice to a trade mark owner that it intends to parallel import goods: what information should the notice contain and how long before the intended importation does it need to be given? Some of these questions have been posed in the two Boehringer cases and the Wellcome case, but the answers are indicative only and national courts have applied vastly different standards.

Consent to placing goods on the market: general principles

Parallel trade, or further commercialisation of goods within the EEA, is only allowed where the goods have already been placed on the market within the EEA with the trade mark owner’s consent. Perhaps unsurprisingly, what constitutes consent has turned out to be a grey issue: does it have to be express consent or can consent be implied by the conduct or silence of the trade mark owner?

The ECJ held in Zino Davidoff and Levi Strauss (joined cases C-414/99 and C-416/99) that consent to placing goods on the market in the EEA which have previously been marketed outside of the EEA (and subsequently imported and placed on the market within it) may result not only from an express statement of that consent, but may also be ‘inferred from the facts and circumstances prior to, simultaneous with or subsequent to the placing of the goods on the market outside the EEA which...unequivocally demonstrate that the proprietor has renounced his rights’.

Such implied consent must be based on positive evidence and ‘cannot be inferred from the mere silence of the proprietor’. The reach of implied consent is uncertain, but recent case law confirms that exhaustion of rights can occur even where the goods have been put on the market by an entity with no economic link to the trade mark owner as a result of the proprietor’s implied consent (Mastercigars Direct v Hunters & Frankau [2007] RPC 565; Honda v Neesan ([2008] EWHC 338).

Makro v Diesel: the relevance of first marketing inside or outside of the EEA

The ECJ recently extended the principles laid down in Zino Davidoff in the case of Makro v Diesel Spa (Case C-324/08), which was a reference for a preliminary ruling from the Hode Raad der Nederland. In that case, Diesel owned rights in the Benelux in the mark ‘DIESEL’, which it licensed to a Spanish business called ‘Dfsa’, the distributor of ‘DIESEL branded goods in Spain, Portugal and Andorra. Dfsa entered into an exclusive distribution agreement with the Spanish company ‘Flexi Casual’, under which Flexi Casual had the exclusive right to sell certain ‘DIESEL products. Flexi Casual was also authorised to conduct ‘market tests’ on shoes bearing the mark DIESEL by offering footwear for sale to its customers with a view to ‘reliably determining market requirements’. In 1994, Dfsa granted to Flexi Casual a licence to manufacture and distribute goods of its own design to test the market, so that those goods could be offered to Diesel for distribution or the ‘assignment of the manufacturing licence’.

Three years later, in 1997, Flexi Casual granted ‘Cosmos World’ a licence to manufacture and sell shoes, bags and belts bearing the DIESEL mark. Under that agreement, but without the express approval of Dfsa or Diesel, Cosmos manufactured and marketed shoes bearing the DIESEL mark.

In 1999, the retailer ‘Makro’ offered shoes for sale bearing the DIESEL marks bought from Cosmos. Diesel claimed that it had never consented to the marketing of the shoes by Cosmos and brought an action for trade mark infringement against Makro. Makro argued that Diesel’s rights were exhausted because Cosmos had marketed the shoes with Diesel’s consent within the meaning of Article 7(1) of the Trade Marks Directive. The main issue in the case was whether it was relevant that the goods bearing the DIESEL mark had been marketed for the first time within the EEA, as opposed to first being marketed outside the EEA and then imported and placed on the market within it, as in the Zino Davidoff case.

The ECJ held that the principles laid down in Zino Davidoff are general in nature and
not limited to the factual circumstances of that case. The requirements to prove implied consent to place goods on the market remain the same regardless of whether they were first marketed within the EEA or outside of it. The court commented: ‘…in order to ensure the protection of the rights conferred by the trade mark and to make possible the further marketing of goods bearing a trade mark without the proprietor of the trade mark being able to oppose that, it is essential that the proprietor can control the first placing of those goods on the market in the EEA, irrespective of the fact that they may have first been marketed outside that area’.

The principles of express and implied consent set down in Zino Davidoff therefore apply equally where the relevant goods were first marketed within the EEA.

Good news for pharmaceutical brand owners?

This decision is surely in line with the principles of the Trade Marks Directive and is good news for pharmaceutical trade mark owners. Exhaustion of rights will only occur when goods have been placed onto the market in the EEA with the express or implied consent of the trade mark owner. Therefore, pharmaceutical companies will retain control over the first placement of their goods on the EEA market, regardless of whether or not they have been first marketed outside of that area.

INNs & trade marks: the state of play in cyberspace

By Iris V. Quadrio and Verónica Canese, Marval, O’Farrell & Mairal, Buenos Aires, Argentina

Pharmaceutical trade marks often make reference to the active ingredient or therapeutic effect of the product. In the search for suggestive elements to include in a trade mark which require the least marketing effort, pharmaceutical trade mark owners have often found a source of inspiration in international non-proprietary names (INNs) and in INN stems.

INNs or generic pharmaceutical names are unique identifiers for pharmaceutical products which have been placed in the public domain by the World Health Organisation (WHO). INNs must be distinctive in sound and spelling and must not be confusingly similar with other names in common use. INNs play an important identification role in the physical world with respect to health products, services and information.

Upon the WHO’s recommendation, national trade mark offices and courts have moved towards prohibiting the acquisition of proprietary rights in INNs. The rationale of this approach is to ensure that no consumer confusion can arise about a drug and its properties and to prevent dilution in the meaning or semantic associations of the INN which could jeopardise the safety of patients.

The advent of the internet and the availability of domain names on a ‘first come first served’ basis enables anyone to obtain a registration for a domain name which corresponds to an INN, which has raised controversial issues in the world of cyberspace.

INNs have been on the agenda of the Standing Committee on Trademarks (SCT) of the World Intellectual Property Office (WIPO) since 1998, when WIPO began a survey in a number of Latin American countries on the examination practices of trade mark offices regarding INNs. The SCT concluded that the majority of the offices that replied to the survey examined trade marks against conflicting INNs, although the availability of the lists of INNs could be improved. The SCT approved several measures to improve the accessibility of the lists of recommended INNs, including a circular letter or e-mail alert to trade mark offices inviting them to publish a link to WHO’s online INN database on their websites or distributing a CD-ROM with INN lists. WIPO began to apply these measures in August 2007.

In relation to Latin America in particular, the market reveals a growing tendency to register generic drug names or INNs as trade marks or slightly modified versions in combination with other distinctive elements. Generally speaking, local judicial and administrative authorities have decided that WHO’s recommendations are not mandatory, but require more than just minimal differences with an INN to grant trade mark protection. When a part of an INN is included in a trade mark application as a stem or suffix, courts will analyse the mark on a case-by-case basis.

There have also been interesting discussions in a number of forums on the use and registration of INNs as domain names. The comprehensive report of the Second WIPO Internet Domain Name Process (3 September 2001) discussed the potential consequences of allowing the registration of INNs in the domain name system. The report repeated the concerns expressed by the WHO and recommended that ICANN take steps to require registrars to refuse to register INNs as domain names. The report discussed, but did not recommend, the alternative proposal of amending the Uniform Domain Name Dispute Resolution Policy (UDRP). It noted that ‘the current UDRP does not cover INNs’. The report also argued in favour of the cancellation of any INNs already registered as domain names. To date, these recommendations have not been implemented.

The SCT has undertaken a comprehensive analysis of the report of the Second WIPO Internet Domain Name Process. While many delegations favored the protection of INNs in the domain name system, the recommendation of the SCT on INNs (subsequently adopted by the WIPO General Assembly) was ‘not to recommend a specific form of protection’. It was then agreed that the WIPO Secretariat should, in cooperation with the WHO, continue to monitor the situation and, if necessary, bring to the attention of the WIPO member states any material changes.

120 or 130 domain names for INNs are registered each year, with a current total of 8,000. WIPO has received some domain name complaints involving INNs under the UDRP, which generally fall into two categories:

- the disputed domain name solely comprises an INN; and
- the disputed domain name comprises the INN together with a trade mark.

Teva Pharmaceutical Industries Limited v BLTC Research (Case no. D2005-0113, 22 April 2005) is an example of the former. The disputed domain name was rasagiline.com, where ‘rasagiline’ is an INN for the pharmaceutical product AZILECT.

The key question considered in this case is whether an INN can be considered a trade mark within the meaning of the UDRP. The UDRP panel found that ‘taking into account the non-proprietary nature of INNs, INNs do not amount to trade marks within the meaning of the UDRP’. As INNs fall outside the scope of the UDRP, the transfer of the domain name to the manufacturer of the pharmaceutical was rejected.

The complainant argued it had a monopoly in the supply and distribution of rasagiline by virtue of its patent rights, its commercial arrangements and the applicable regulatory approvals. However, the panel considered that the monopoly claimed by the complainant was at odds with the fundamental nature of the INNs and that the rules were not applicable to INNs.

F. Hoffmann-La Roche AG v Den (Case no. D2006-0182, 3 May 2006) is an example of the latter sort of case. The proceedings involved the domain name diazepam-valium-online.net, which combined the
The relevant consumer: a comparison of Italian, French and Spanish case law

Paola Gelato (Italy), Séverine Redon (France), and Luigi Carlini (Spain), Jacobacci

When ruling on the likelihood of confusion between pharmaceutical trade marks, the definition of the relevant public is a thorny issue. Courts will generally state whether the relevant public is composed only of end users and/or healthcare professionals, including doctors and pharmacists. Therefore, a fundamental distinction lies between over-the-counter drugs which are accessible to all consumers without the need for specialised intermediaries and prescription drugs, which require a specialists’ prescription.

In the French case of ADVANCE SA/ SANOFI-AVENTIS, DIRECTEUR GÉNÉRAL DE L’INPI, the Rennes Court of Appeal found a relative degree of similarity between the marks DERMAKINE and DEPAKINE and considered the relevant public at issue. DEPAKINE is a pharmaceutical product subject to medical prescription for epileptics, whereas DERMAKINE is sold by healthcare professionals as a nutritional supplement to fight dry skin. In this case, it was held that the risk of confusion was low.

In an Italian context, the Court of Rome held in Johnson & Johnson s.p.a. vs. Medialanum Farmaceutici s.p.a. that the relevant public is an essential element. The Court ruled on the risk of confusion between PRISMA for injections and PROMOGRAM PRISMA for band-aids. These marks are very similar: they share the same ‘heart’, the word PRISMA and are intended to cure the same pathology, although their application is different. The court held that the relevant public for PRISMA consists of healthcare specialists following a prescription by a doctor, while for PROMOGRAM PRISMA (sold over-the-counter), the public consists of all end-users. The court commented that a healthcare professional prescribing a drug to a patient makes a decision on the basis of a product’s peculiarities (active principle, dosage, counter-indications) and not on the product’s name. The Court’s conclusion was that specialists would never confuse the products because of the similarity of the marks, given their higher level of diligence and awareness. Hence, when products are selected by qualified personnel, minimal differences are enough to avoid the risk of confusion. To the contrary, for over-the-counter products the reference is to the average consumer, with a consequent higher risk of confusion.

In a peculiar French case, SANOFI Pasteur S.A. vs. Genetics Institute LLC (regarding the BENEFIX and BENEFIVE trade marks), the Lyon Court of Appeal expanded the relevant public of prescription drugs beyond healthcare professionals to include consumers, ruling that ‘the relevant public for drugs sold under prescription also comprises end users’ even though both products were subject to medical prescription and had different therapeutic indications.

Conversely, in the ‘Instituto Clinica Corachan’ decision of the Spanish High Court, the judges came to a different conclusion, stating that the consumer would normally have the assistance of qualified professionals even for those over-the-counter pharmaceutical products which did not require a prescription, thus making the possibility of confusion far less likely.

Similarly, in Italy, as a rule end-users are normally excluded from the Courts’ reasoning even if the trade marks are very similar, on the grounds that healthcare professionals will handle the relevant medical prescription, hence, there can be no risk of confusion for final consumers. Consequently it appears that there is no equivalent precedent to the BENEFIX/ BENEFIVE judgement within Italian case law.

In the European Court of Justice (ECJ) judgment in Alcon Inc. Vs. Uami and Biofarma S.A. (C-412/05), one of the two CTMs for TRAVATAN and TRIVASTAN, both subject to medical prescription, was registered and used in Italy.

The ECJ commented that the decision to purchase a product is made at the moment of the ‘economical choice’ between the products and trade marks, hence excluding ‘medicine cabinet confusion’. Nevertheless, the ECJ included both healthcare professionals and consumers within the relevant public on the grounds that ‘the fact that intermediaries such as healthcare professionals are liable to influence or even to determine the choice made by the end-users is not, in itself, capable of excluding all likelihood of confusion on the part of those consumers as regards the origin of the goods at issue’. The ECJ held that, as the products at issue were sold in pharmacies, end-users were likely to be faced with both products, even if those products were purchased separately and at different times.

Comparing LANOXIN and FAMOXIN, the Court of First instance (CFI) recently applied the ECJ’s TRAVATAN ruling regarding the relevant public, specifying that end-consumers would be under the supervision of professionals.

The definition of the relevant public appears to be a flexible standard, subject to a case by case analysis. Recent decisions at European Union level suggest that supervision of consumers by professionals would lead to an absence of confusion, a position which is close to the recent rulings of Italian and Spanish Courts.
Figurative elements dominant in LA ESPAÑOLA case

Bill Ladas, Senior Associate, SJ Berwin, London, United Kingdom

The ECJ has dismissed an appeal against the CFI’s decision holding that the following two marks are similar (Aceites del Sur-Coosur SA v Koipe Corporacion SL [‘Aceites’], Case C-498/07)

Koipe, owner of the CARBONELL Device (shown on the left) and various other Spanish registrations, opposed Aceites’ CTM for the LA ESPAÑOLA Device (shown right).

Koipe’s opposition was initially rejected by the Opposition Division and the Fourth Board of Appeal (‘BoA’) as the signs ‘produced a different overall visual impression’, and the figurative elements of the earlier mark were ‘not unusual in the area of olive oil marks’ such that they were considered weak in distinctive character.

The CFI disagreed with the judgment of the BoA in relation to the distinctive character of Koipe’s mark, based upon evidence submitted by Koipe. The evidence stated that, of 95% of the olive oil market in Spain, the only labels depicting a woman were the parties’ respective labels. The CFI therefore considered that – in combination – the elements of Koipe’s label were distinctive. Further, the LA ESPAÑOLA element in Aceites’ mark was of weak distinctive character, and was less prominent within the overall mark than the figurative elements.

Overall, the CFI considered the respective signs, and specifically the common elements in each mark, produced a visual impression of great similarity. The CFI said that the LA ESPAÑOLA mark ‘reproduced very precisely the essence of the message and visual impression given by the CARBONELL mark’, which ‘inescapably’ gave rise to a likelihood of confusion.

Arguments to the ECJ

Aceites argued that the CFI had erred in:
- not taking into account the co-existence of the marks on the Spanish market;
- taking an analytical approach, and providing the figurative elements decisive importance while ignoring the verbal elements; and
- incorrectly profiling Spanish consumers as ‘careless and rash’.

Effect for pharmaceutical trade marks

This case provides a neat example of a comparison between labels where the figurative elements, taken as a whole, are predominant over the verbal aspects.

Brand owners in the pharmaceutical field that have taken the step of registering their label artwork as a trade mark will take considerable comfort from the decision. In such cases, new entrants to the market should be aware that packaging with a distinct house mark will not necessarily get them over the line.

ECJ decision

The ECJ considered that the CFI had not ignored the word element (LA ESPAÑOLA), but had correctly ascribed overriding importance to the figurative elements, bearing in mind the marketing of such products. The ECJ could not disturb the CFI’s factual finding regarding the attention level of the average consumer.

In relation to Aceites’ argument regarding co-existence, the ECJ simply held that there had been no such peaceful co-existence. The ECJ also stated that it is only the reputation of the earlier mark (i.e. the CARBONELL Device) that must be taken into account when considering the likelihood of confusion.

Melvyn Silver

3rd April 1940 to 16th November 2009

It is with deepest regret that I must report that Mel Silver, colleague, friend and mentor to many of us in the pharmaceutical trademark world, passed away on November 16 after a 14 month battle with pancreatic cancer.

Services were held in South Bend, Indiana with internment in Forest Park, Illinois.

As in life, Mel’s family always came first. He leaves behind his wife Gayle, three daughters, Rachel, Cheryl and Amy and eight grandchildren. Mel spent the majority of his illustrious and successful career at Miles Laboratories which later became Bayer Corporation serving as the company’s senior trademark counsel. During his tenure at Bayer, Mel was an active member of the International Trademark Association, PHrma and the PTMG. Upon Mel’s retirement from Bayer, he worked as counsel to the Chicago law firm of Patchell, McAuliffe, Newbury, Hilliard and Geraldson where he continued to assist healthcare companies with their growing trademark needs. Banjo playing, folk music and the ham radio were all passions of Mel. Much to his amazement, upon retirement, he found that he even enjoyed a game or two of golf.

Mel will be remembered for his kindness, his calm demeanor, his ready smile, his loyalty and his willingness to mentor and guide legal professionals through the trademark practice. He will be greatly missed by all who knew him. One of the fondest memories of Mel was at a dinner during an INTA meeting. At the dinner, there were at least 12 people who had been personally mentored by Mel. As a group, everyone stood up and proclaimed how lucky they were to have been trained by Mel. He blushed: however, it was true.

If anyone is interested in signing the Guest Book, it can be found at http://www.legacy.com/obituaries/southbendtribune/obituary.aspx?n=melvyn-a-silver&pid=136092192.

Frances Jagla, Leydig, Voit & Mayer Ltd, USA
Change, Challenge and Compare! Perspectives on Pharmaceutical Trade Marks

Thomas Quack and Kristina Kersten, Bayer, Germany

Lisbon is a legendary city of contrasts: the old and the new, with some of the most fascinating architecture and history anywhere in Europe. It was European City of Culture in 1994 and hosted the 1998 World Exposition. However, this year, the greatest thing was not the city but the people who drive PTMG forward: 387 inspiring and committed individuals from all continents gathered together at the Corinthia Hotel in Lisbon to keep the fire burning and to discuss cutting edge news involving pharmaceutical trade marks.

Day 1

The conference was opened by our chairman Sue Evans with her usual warm welcome setting the scene for a 'Taste of Portugal' and this year’s theme.

Opening speaker Antonio Campinos, President of Portugal’s IP Office gave an introduction to Portugal and latest developments in trade marks. INPI, a more small than medium Office, was modernized during the past years and in particular online services were made available. Today INPI is the only Office in the European Union providing not only free identity but also similarity searches for national marks, Community trade marks and international marks (http://servicosonline.inpi.pt/pesquisas/main/marcas.jsp). Furthermore, the Industrial Property Code in Portugal has been amended and new provisions came into force on 1 October 2008. One of the most relevant changes concerns the fact that the filing of the periodical Declaration of Intent to Use (DIU) is no longer registration in force, but can be opened to users.

Following on, Vincent O’Reilly of OHIM, in a somewhat controversial presentation, tried to convince us of the advantages of the OHIM database for comparison of goods and services which will tell the examiners at OHIM if goods or services are to be considered identical, highly similar, similar, barely similar or not similar. This is supposed to provide more consistency and predictability to the examiners’ decisions. He outlined how the database will work, which criteria shall apply, and told us that it will be binding for the examiners but not for the Board of Appeal. A test version was expected for October and in the first half of 2010 Vincent hoped that the final version shall be opened to users.

After the morning coffee break Shlomo Cohen (Dr. Shlomo Cohen & Co) gave an entertaining presentation on the challenge of the Anti-IP campaign. Over the years with the strengthening of IP rights, criticism has risen as well. IP rights are found to be too much, too broad, too powerful, and too territorial. The campaign is actually against globalisation as such rather than against IP in particular. It was argued that it will become stronger in some ways and the IP world must take up the battle and find a legitimate balance between IP rights and fair use. After all, the campaign is actually against globalisation as such rather than against IP in particular. It was argued that it will become stronger in some ways and the IP world must take up the battle and find a legitimate balance between IP rights and fair use. After all, the campaign is actually against globalisation as such rather than against IP in particular. It was argued that it will become stronger in some ways and the IP world must take up the battle and find a legitimate balance between IP rights and fair use. After all, the campaign is actually against globalisation as such rather than against IP in particular. It was argued that it will become stronger in some ways and the IP world must take up the battle and find a legitimate balance between IP rights and fair use.

Next speaker Thomas Nie of Novartis International took us on a very vivid journey as to what corporate branding is all about. In his speech entitled ‘The growing importance of the House Mark’ he explained what a brand is, why it is important and that it is present in all areas of life. With examples of some of the finest advertising campaigns and multimedia presentation technique, Thomas explained various branding strategies. He concluded that brand consistency, e.g. of experience, language, message or quality, is a crucial factor for successful branding.

Dorothy Linvill-Neal of Johnson & Johnson

After a sunny and delicious lunch break Nick Beckett (CMS Cameron McKenna) had the challenging task to wake us up with his presentation on ‘A practical approach to parallel trade’. He perfectly managed that by giving us a detailed and thrilling update on the legal framework in this field. Not only did he explain the principles established by the ECJ, but he also covered the jurisprudence of national courts (re-boxing and re-labelling, de-branding and co-branding, and notices). At the end of his presentation Nick gave us an outlook as to what issues are still unresolved such as thresholds for necessity tests and the national criteria for damage to reputation. The very structured presentation was highly appreciated both as an update for parallel trade experts and as a general introduction to this rather special field.

Dorothy Linvill-Neal

Dorothy Linvill-Neal of Johnson & Johnson

PTMG Chairman Sue Evans welcomes delegates

‘we have been living in good times and IP did not stand in the way’ said Shlomo.

Adrian Chettle (White & Rogers) took us backstage to gain insight into the organisation of a law firm by elaborating on ‘Business practices – the client / supplier relationship’. Building relations with the client is a key factor, be that at industry conferences or via personal interactions or attorney visits. Other topics were managing and reviewing suppliers, client questions, risk management and best practice approaches.

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extensions compared to new molecule entities (NME). The naming opportunities based on new indications, formulations, delivery systems and combination products leave companies with a challenging task. Patient safety must be ensured at all times while commercial optimization also plays a role. The question whether to go with a modifier or a new name often depends on the regulatory environment. As a general rule in the European Union it is easier to adapt modifiers to local requirements in decentralised and mutual recognition procedures. So far there is no truly good example for the centralised procedure of a global brand name with qualifier.

In global branding of NMEs a new name appears to be the preferred option. After an indulgent tea break everyone prepared for the evening event in the Casino at Estoril. During World War II the Casino was reputed to be a gathering spot for espionage agents, dispossessed royals, and wartime adventurers, and was furthermore inspiration for the 007 novel Casino Royal by Ian Fleming.

For this specific evening, it was the gathering spot for the PTMG audience who was served a wonderful dinner and afterwards taken on a colorful historical journey with Vasco da Gama to Africa, the Orient and Brazil. Fascinating dancers brought nearer the cultural heritage of the former Portuguese colonies that nowadays are an important part of Portugal’s culture. At the end of the evening those who were not tired yet and wanted to tempt fate had the opportunity to lose or hopefully win money by gambling at the Casino.

Day 2
For those who had not made their fortune at the Casino and left for a round-the-world trip the next day started with a double act on the FDA Pilot Program by Maury Tepper (Tepper & Eyster PLLC) and Susan Proulx (Med-ERRS) viewed from an industry and patient perspective. Despite all efforts shown in a quick wrap-up of the history of the FDA trademark review, the crystal ball for name evaluation has still not been found. Questions like how similar is too similar and can handwriting similarity and/or sound-alike names be predicted cannot be answered with certainty. The FDA rejection rate has remained above 30% for over a decade. In a response to demand by the industry for more predictability, the FDA proposed the Pilot Program which will enable pharmaceutical companies to evaluate their proposed pharmaceutical names and submit data generated from those evaluations to the FDA for review.

Maury commented: ‘We see the future and it scares us!’ In a preceding public hearing academics incorporated virtually everything they dreamed up that day. Susan predicted that the fees in preparing name submissions may increase up to ten-fold compared to traditional desk searches in the past. It is yet too early to predict what the new system will bring to patients and industry and its success is dependent on whether industry decides to enrol or not. However, other factors like illegible prescription orders do harm to patients as well and the lawmakers are called upon to introduce rules to print legibly or type prescriptions, which is the case now in Florida and 6 other states. Maury and Susan closed with the Chinese proverb which says ‘May you live in interesting times’.

After coffee break local speaker Manuel Gonçalves of GlaxoSmithKline, Portugal, shed some light on ‘The Image of the Pharmaceutical Industry’. He examined the history, physical state, genetic profile, as well as the lifestyle and habit, of the ‘patient’ pharmaceutical industry. He prescribed open innovation in the R&D process with small companies and academia, to partner with health systems and strengthen relationships with the medical profession. Finally his recommendation was ‘walk tall and be proud of achievements – past, present, future’.

During lunch we could not only enjoy the summer on the terrace one more time but also a delightful buffet.

Continuing in the afternoon Anna Carboni (Wilberforce Chambers), Frances Drummond (Freehills) and David Bernstein (Debevoise & Plimpton) took us on a tour throughout the world in respect of the treatment of famous and well-known trademarks. Anna highlighted the scene in Europe, David explained the US point of view, while Frances gave an overview regarding the situation in various Asian countries. The ‘theoretical part’ was followed by a very visionary and thrilling hypothetical case study on the threat of the elephant flu and the trademark related problems faced by the manufacturers of the respective vaccine INTELFLU.

The conference closed with the Gala Dinner at the magnificent Penha Longa monastery, its origins dating back to the 14th century. The elegant and exquisite dinner was followed by a splendid dance night in the crypt. All participants were in a cheerful mood especially as the most burning question of the evening was answered: Next year’s autumn conference will be hosted in Athens, Greece, which we are all looking forward to!
England lags behind the Continent: passing off versus unfair competition*

David Stone and Jenny Barker, Simmons & Simmons, London, United Kingdom

Problems with look-alike products face all brand leaders, including those in the pharmaceutical industry. For consumers to be aware that products are being offered as an alternative to the brand leader, competitors will sometimes mimic elements of the brand leader’s product get-up – using similar packaging, colour schemes, fonts, tablet shapes etc. Provided they carefully avoid copyright, design and trade mark infringement, look-alike products are unlikely to be caught by the English law of passing off. In contrast, unfair competition laws appear to have held look-alikes at bay in continental Europe.

Despite recent comments from the Court of Appeal, there are compelling arguments in favour of introducing a law against unfair competition which allows brand owners to take action where there is clearly an element of ‘free-riding’ on the goodwill that brand owners have generated through investment in research, development, advertising and marketing, even if consumers are not confused. There is even more need for such reform now that the European Court of Justice (ECJ) in L’Oréal SA v Bellure NV (Case C-498/07) (‘L’Oréal’) has confirmed that trade marks with a reputation can be infringed by intentional free-riding.

**Why passing off doesn’t help**

As English law currently stands, a brand owner cannot succeed in an action for passing off in the absence of a misrepresentation: consumers must be confused as to the origin of the later mark (i.e. the defendant’s products were intended to give ‘a wink of an eye to existing branded products’, using names and get-up which copied and/or directly alluded to the names and get-up of the originals. It was accepted that consumers would not actually confuse these products with the genuine article: this was enough to kill off the claim for ‘classic’ passing off. It was also disclosed during the case that the development of a fine fragrance represents an investment of over £60 million, again, a sum not unfamiliar in the pharmaceutical industry.

L’Oréal’s argument for an extension of the law of passing off to encompass the acts of the defendant was roundly rejected by Lord Justice Jacob who stated: ‘True it is that trading conditions have changed somewhat over time – but I cannot identify any particular change which makes a general tort of unfair competition desirable, still less necessary. If the courts (or indeed Parliament) were to create such a tort it would be of wholly uncertain scope.’

Lord Justice Blackberry disagreed: ‘My only doubt concerns [Jacob LJ’s] view that where a person is able to derive commercial advantage through the “wink” which his product makes at the registered mark, it is subject to competition which makes a general tort of unfair competition desirable, still less necessary. If the courts (or indeed Parliament) were to create such a tort it would be of wholly uncertain scope.’

It is unfortunate that the Court of Appeal missed the opportunity in L’Oréal to extend the reaches of passing off to include a party which gains an unfair advantage.

**Would a law against unfair competition assist?**

‘Unfair competition’ is defined in the Paris Convention (to which the United Kingdom is a signatory) as ‘any act of competition contrary to honest practices in industrial or commercial matters’. This broad definition of ‘unfair competition’ encompasses a wide variety of economic and commercial matters. Examples include malicious falsehood, the slowly evolving law on the protection of TV format rights and the protection of service marks. It is difficult to find a definition of a ‘free-riding’ activity which is not captured by the concept of ‘unfair competition’.

Since misrepresentation is an essential element of any passing off action, ‘free-riding’ activities are not currently actionable under the English law of passing off, although in many cases they are in Continental jurisdictions.

Some of the gaps in protection in the UK have been addressed by the Unfair Commercial Practices Directive. For example, the Directive sets out the extent to which comparative advertising may be allowed. However, the Unfair Commercial Practices Directive does not address the issue of ‘free riding’ where the defendant takes advantage of the brand owner’s investment to present a look-alike product.

**The ECJ’s decision in L’Oréal**

Some commentators argue that there is no need for an English law of unfair competition since brand owners are protected from free riding under section 10(3) of the Trade Marks Act and Article 5(2) of the EC Directive – assuming that the relevant element of the product get-up is registered as a trade mark (quite an assumption given the difficulties of registering product and packaging shapes as trade marks) and is a ‘mark with reputation’. Section 10(3) and Article 5(2) provide that it is an infringement where a defendant uses in the course of trade a sign which is identical or similar to a trade mark which has a reputation and where use of the sign ‘being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trade mark’. On its face, this appears to cover the exact free riding activity of which Lord Justice Blackburme was critical in L’Oréal.

Prior to L’Oréal, it appeared that the ECJ’s decision in INTELMARK Corp v CPM (UK) Ltd (C-252/07) (‘INTELMARK’), had made the copyists’ jobs easier. Analysing a different part of the legislation, the ECJ ruled that to succeed in a claim that use of a sign would be detrimental to the distinctive character of the earlier mark, the claimant must adduce evidence of a change in economic behaviour of the average consumer as a consequence of the use of the later mark, or some likelihood that such a change will occur in the future. It is extraordinarily difficult to adduce proof, particularly to the level required by English courts, of changes in the economic behaviour of consumers. Survey evidence, which is notoriously difficult and costly to obtain, will be required. The need for survey evidence is one of the obstacles usually associated with passing off claims (and a key contributory factor in the high cost of passing off actions). The INTELMARK decision related specifically to issues of registrability and Article 4(4)(a) of the Directive but it is assumed that the same interpretation will be applied to the ‘detrimental to the distinctive character’ wording of Article 5(2), although a more recent decision in NASDAQ Antarctica Ltd v OHIM (C-320/07) appears to have stepped back a little from the strict requirements in INTELMARK.

*A version of this article appeared in Trade Mark World.*
Following INTELMARK it seemed that brand owners were faced with the difficult and expensive forensic exercise of proving increased sales for the copyst on a result of the reputation of the earlier mark. The ECJ’s decision in L’Oreal, however, has made clear that no such proof is necessary to succeed under the ‘unfair advantage’ provisions of Article 5(2) and that, provided a trade mark has a reputation, the trade mark is infringed where a party seeks to ride on the coat-tails of that mark to benefit from the power of attraction, the reputation and prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of that mark. The ECJ has confirmed that no likelihood of confusion or likelihood of detriment to the distinctive character or repute of the trade mark is required to succeed in such a claim. The English Court of Appeal has not yet ruled in L’Oreal following the ECJ’s guidance on the law. However, a differently constituted Court of Appeal has looked in some detail at L’Oréal in an unrelated case about food mixers. That court emphasised the importance of intention to free-ride, to prove the ‘unfair advantage’. The court held that establishing advantage is not sufficient: there must be an additional element of unfairness, which could be demonstrated by the alleged infringer’s intention to gain an advantage or from something other than intention, which the court did not specify.

**Time for reform?**

Intellectual property law has historically developed as an exception to the rule that there should be freedom of competition. Intellectual property rights owners are granted carefully defined periods of exclusivity to encourage investment in innovation and design. Understandably, courts are wary of expanding these exclusive rights for fear that this might serve to stifle competition. This should not mean that there is no justification for increasing exclusive rights in certain circumstances. In particular, there are compelling reasons for introducing a right to prevent third parties taking unfair advantage of others’ goodwill in product get-up through sales of look-alike products. Some argue that brand owners already have sufficient rights of redress through the law of trade marks, copyright, patents and design infringement and that a law of unfair competition would be used by brand owners who find that they are unable to rely on other such causes of action. However, this is precisely the reason why legislation is needed in this area. A reliance on registered rights alone to address such behaviour is more of a benefit to wealthier brand owners whose budgets allow for more extensive trade mark portfolios to protect the get-up of their products.

Bringing English law into line with unfair competition laws in other EU jurisdictions would also provide certainty for traders who wish to launch their products on an EU-wide basis, as well as help to create the level playing field at the core of the European single market. At present, protection against look-alike products differs markedly between the UK and other EU countries.

**Conclusion**

The UK’s disproportionate level of look-alike products compared with continental Europe is arguably a result of a lack of protection against unfair competition and the uneven hand that this has given to copyst on. Whilst it is hoped that L’Oréal has now, at least, increased the armoury of registered trade mark owners against the copyst, it only applies to registered marks with reputation.

In uncertain economic times, when copying tends to increase, it might just be the time to revisit the issue. As passing off is a common law tort, the courts can expand its applicability to new fields. Doing so would help bring the UK into line with the rest of Europe, where courts have no difficulties viewing look-alike products as ‘unfair’.

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**Members News**

**New Members**

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

**Gavan Ferguson** of FRKelly, 27 Clyde Road, Dublin 4, Ireland

**Eugenia Kriletic** of FRTB-Ferrer Reyes, Tellechea & Bouche, Avda. Corrientes 456, Piso 21, C1043AAE, Buenos Aires, Argentina

**Barbara Dollstadt** of Berkemeyer Attorneys & Counselors, Benjamin Constant 835, PO Box 285, Asuncion, Paraguay

**Isik Ozdogan** of Moroglu Arseven Law Firm, Iskitikal Cad. No:142 Odakule Kat 12 Beyoglu/ Istanbul, Turkey

**Richard Brunner** of Dannemeyer & Associates, 55 rue des Bruyeres, L-1274 Howald, Luxembourg

**Beatrice Daubin** of Lavoix, 62 rue de Bonnel, 69448 Lyon, Cedex 03, France

**Ricardo Dijkstra** of Van Doorne, Jachthavenweg 121, 1081 KM Amsterdam, The Netherlands

**Cynthia Walden** of Fish & Richardson P.C., 225 Franklin Street, Boston, MA 02110, USA

**Keith Barritt** of Fish & Richardson P.C., 1425 K Street, N.W., Suite 1100, Washington D.C. 20005, USA

**Irene Hudson** of Fish & Richardson P.C., 601 Lexington Avenue - 52nd Floor, New York, NY 10022, USA

**Ed Hamilton** of Baldwins, 342 Lambton Quay, PO Box 852, Wellington, New Zealand

**Moves and Mergers**

**Maury Tepper** and **Kathryn Eyster** have left Womble Carlyle Sandridge and Rice to establish their own firm, Tepper & Eyster, PLLC. They can be found at 3724 Benzon Drive, Raleigh, NC 27609, USA

**Severine Redon** has left INLEX and is now with Jacobacci, Sterpi, Francetti, Regoli, de Haas & Associates of 23-25 rue Jean Jacques Rousseau, 75001 Paris, France

**Michael Best** and **Udo Pflegbar** have changed the name of their firm from Freitag & Best to Best Rechtsanwalte. They can still be found at Industriepark Hoechst E416, 65926 Frankfurt-am-Main, Germany

**IP Services GmbH** (member is Gerardo Messerer) has moved offices. The new address is Sternstrasse 20, 80538 Munich, Germany

**Frank Schiwek** has left Taylor Wessing and is now in-house counsel for Qiagen GmbH of Qiagen Strasse 1, Postcode 802, 40724 Hilden, Germany

**Deborah Portilho** has changed the name of her firm to Deborah Portilho and Saraiva Advogados Associados of Praia de Botafogo, 528/601B, Rio de Janeiro, RJ, C.E.P. 22250-040, Brazil

**Where are they now?**

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

**Mr Toshiki Noguchi** formerly with Takeda, Osaka, Japan

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

**Lesley Edwards**

PTMG Secretary
France: First French decisions on ‘Google suggest’
Franck Soutoul and Jean-Philippe Bresson, INLEX IP EXPERTISE, France

GOOGLE SUGGEST is a facility provided by Google whereby a search topic similar to what you are typing is suggested. The first two decisions issued by French courts involving GOOGLE SUGGEST have taken different positions on the trade mark implications of his tool. On 7 May 2009, the Paris Court of First Instance upheld Google’s liability on the basis of the suggestion behind ‘direct energie arnaque’ (i.e. ‘direct energy rip-off’). In contrast, on 10 July 2009, the Paris Trade Court ruled that the Google suggestion ‘CNFDI arnaque’ (i.e. Centre National Prive de Formation à Distance or National Private Center for Distance Training rip-off) was acceptable under provisions of the laws on press freedom.

In both matters, Google argued that Google suggest was ‘a statistical, automatic and objective function of the search engine’. The suggestions were presented as objectively reflecting the most frequent searches of internet users.

In the first matter, the Court regarded ‘direct energie arnaque’ as creating suspicion over the plaintiff and evidence was given that ‘arnaque’ (‘rip-off’) was not the most frequent word entered by internet users in relation to the plaintiff.

In the second matter, ‘arnaque’ was not considered in itself as an affront as evidence was provided that it was a real result of past searches performed by internet users. The suggestion tool was upheld as a reliable support for the broadcast of freedom of thought and information.

These two decisions suggest that much clarification is needed on the liability of Google for the GOOGLE SUGGEST tool.

India: Clinic Laboratories LLC restrains local infringer from using nearly identical mark CLINIQ
Raka Roy, Rouse, Dubai, United Arab Emirates

In a suit for passing off and trade mark infringement brought by Clinic LLC, the Delhi High Court granted an interim injunction restraining the defendant, Gufic Laboratories, from using its registered mark CLINIQ. The injunction order was based on Clinic’s registration and use of the mark CLINIQ. The injunction order was challenged by

Gufic, who contended that it was the registered proprietor of the CLINIQ mark and that trade mark infringement had not been made out.

The Court dismissed Gufic’s argument and held that it had the power to grant an injunction to prohibit the use of a registered trade mark where it is satisfied that the registration is invalid. In coming to this conclusion, the court noted that Gufic’s registered mark suffered from lack of inherent/acquired distinctiveness. It also observed that Gufic’s registration was invalid as the mark was almost identical to the earlier, well known mark CLINIQUE and that its use would therefore cause a likelihood of confusion amongst the general public.

India: Court holds drugs with similar names but different composition are dangerous
Ranjan Narula, Rouse, New Delhi, India

The Delhi High Court has granted a preliminary injunction in a trade mark infringement action brought by Novartis against local pharmaceutical company Crest Pharma. Novartis claimed that its registered trade mark SECEF had been infringed by Crest’s use of the mark CECEF. In response, Crest argued that:

- Novartis’ product is prescribed for urinary and respiratory tract infections, whereas their product was a post-operation antibiotic. The ingredients of both the products are different and administered in different forms;
- no confusion would be caused given that Crest’s product was a ‘schedule H’ drug, sold only on prescription. An educated medical practitioner would not be confused as to the source of the two products given their different use and structure;
- the suffix is used on several products of the same nature by the parties other than Crest;
- other similar names coexist on the market, including CEFF, SIMCEF, CEF, BECEF, SYCEF, CEACEF, SYCEF, SICEF and C-CEF; and
- Novartis was not entitled for any relief on the basis of acquiescence and delay.

The court confirmed the preliminary injunction against Crest and reiterated the following principles:

- the use of similar marks on drugs of different composition is dangerous and harmful for consumers;
- although the products were prescription-only schedule H drugs, the classification is not strictly followed in India. It is common for schedule H drugs to be sold/made available over-the-counter without a prescription;
- marks should be compared as a whole, even if the suffix or prefix is derived from the drug’s chemical name; and
- the mere filing of a trade mark office search report showing the existence of similar marks on the Register is not sufficient. Evidence that the marks are in use is necessary.

Malaysia: court ruling on INNs and trade marks
Su Siew Ling, Tay & Partners, Malaysia

In Leo Pharmaceutical Products Ltd. A/S v Kotra Pharma (M) Sdn Bhd, the Malaysian High Court considered the issue of the registrability of trade marks that bear resemblance to international non-proprietary names (‘INNs’). Leo, a well-known Danish pharmaceutical corporation, sued Kotra for trade mark infringement and passing off. Kotra counterclaimed for the invalidation and expungement of Leo’s registrations. Leo’s marks at issue were FUCIDIN and FUCICORT, whereas Kotra produced similar products bearing the marks AXCEL FUSIDIC and AXEL FUSICORTE. The active ingredients present in each of the products were ‘fusidic acid’ and ‘corticosteroid’ (both recognised as INNs) respectively.

The High Court commented that:

- an INN is not registrable as a trade mark as it is generic in nature. However, this does not prevent pharmaceutical trade mark applicants from choosing names which allude to an INN or are even as close as it can be to the INN;
- a generic term or a common word could acquire secondary meaning and become distinctive over time.

Ruling on the circumstances of the case, the court held that Leo’s marks FUCIDIN and FUCICORT are unique product names and not generic INNs and that Kotra had infringed Leo’s registered marks. Leo’s action for passing off also succeeded.

The court discussed special rules that apply to an assessment of likelihood of confusion in pharmaceutical products, namely:

- the degree of similarity required to prove likelihood of confusion varies

continued on the next page
according to the degree of competition between the goods/services;

- the hurdle of proving likelihood of confusion is lower given that the life and health of the public are at stake; and

- where the goods are prescription only, the likelihood of confusion is less given the supposed ‘sophistication’ of physicians and pharmacists.

The case is a resounding victory for pharmaceutical companies against generic drug makers or competitors who seek to ride on the goodwill established by earlier entrants into the market.

**Poland: Resolving the conflict between CTMs and national registered rights in new EU member states**

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

Five years after Poland’s accession to the EU, the Warsaw Court of Appeal has put forward a clear approach on how to settle the conflict between earlier national rights and extended Community trade marks (CTMs) within the meaning of Art. 159a of the CTMR (presently Art. 165).

In 2007, the Austrian company mPAY24 GmbH brought an action against two Polish entities to prohibit them from infringing the plaintiff’s rights in its CTM registration for mPAY24, with priority from 2001. The infringement assessment became particularly challenging when the defendants referred to their earlier Polish trade mark registration for MPAY with a 2003 filing date, before the accession of Poland to the EU.

In the first instance, the CTM Court in Warsaw held that the conflict of rights should be resolved according to the general principle – chronological priority of the acquisition of trade mark rights (in this case, the CTM). The court considered that the alternative would lead to a position that, depending on the accession date of a given EU member state, the protection of CTM proprietors originating from the ‘old’ countries would not be unitary.

In August 2009, the Appeal Court overturned the first instance verdict. It found that the transitional provisions of the CTMR are a manifestation of a political compromise between the ‘old’ and ‘new’ EU member states and resolves the conflicts between two separate trade mark protection systems, that is, extended Community and earlier national trade marks. A systemic change of a political character such as this should not result in depriving a proprietor of national rights of their intellectual property rights to their present extent. The necessity of guaranteeing certainty of rights in CTMs in the entire Community and uniformity of protection do not justify the deprivation of protection of national trade marks acquired in good faith before the accession of a country to the EU.

A possible cassation to the Supreme Court and referral to the ECJ are being considered by the parties.

**Turkey: Simplified counterfeit destruction procedure**

Baris Kalayci and Zeynep Seda Aksoy, Gün Avukatlik Büroso Mehmet Gün & Partners, Istanbul, Turkey

The enforcement of intellectual property rights by Turkish customs has become more effective after recent changes to law. In particular, recent legislation has introduced a ‘central application system’ and a ‘simplified destruction procedure’ for counterfeit goods.

Under the old law, local applications before each customs administration in Turkey were required. IPR owners can now file a single (online) application for up to a year for the protection of their IPR by all Turkish customs administrations. The new system seeks harmonisation with EU systems, to speed up customs procedures and widen the protection of IPR.

IPR owners are encouraged to be involved in the new system, for example, by giving customs officers tips on how to identify counterfeit goods. Further, a ‘temporary suspension decision’ will be granted by customs upon determination of suspected counterfeit products. The period of time that goods will be detained has been reduced to three days for perishable goods and 10 days for any other goods. Applicants can request an additional period of 10 days where there are good reasons.

Upon the grant of ‘temporary suspension decision’, applicants must request a preliminary injunction from a local court. Under the new ‘simplified destruction procedure’, counterfeit goods can be directly destroyed by customs without a court order if the rights holder and the owner of the goods can reach a settlement. Given that court proceedings can be avoided in some circumstances, the simplified destruction procedure will shorten proceedings and reduce costs immensely.

The new laws are expected to be clarified shortly by an implementing regulation.

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**Trade Marks vs Generics: Contrary Decisions in France**

Jean-Philippe Bresson, Inlex

The French Constitutional court upheld on 22nd December 2009 that the draft article L. 5121-10-3 of the Public Health Code was contrary to the French Constitution and could not therefore be enacted. Article L. 5121-10-3 taken from the law on Financing the National Social Security for 2010 relates to generics and was drafted as follows: ‘The owner of an intellectual property right that protects the appearance and the texture of oral pharmaceutical forms of a reference product within the meaning of article L. 5121-1 may not prohibit the oral pharmaceutical forms of a generic drug substitutable to this product under article L. 5125-23, from showing a similar or identical texture or appearance.’

This latest decision comes hot on the heels of a contrary vote in the Senate and is based on the lack or very limited effect that such a provision would have on the compulsory expenses of the social security system in France.

Trade mark monopoly on shapes and/or colors of tablets are consequently preserved for the time being but we fear that such a provision in favour of generics may well reappear and be enacted in a context other than a specific law devoted to the Social Security system.
Are nutritional supplements pharmaceuticals?

Udo Pfleghar, Best Rechtsanwalte, Frankfurt am Main, Germany

When the Office for the Harmonization of the Internal Market (OHIM) changed the classification of nutritional supplements in 2006 (see Alicante News of 20 July 2006), some concerns were raised. Previously, such supplements had been divided into those for medical purposes (class 05) and those for non-medical purposes (classes 29, 30, 31). In some national offices, this division is still maintained, for example by the German Patent and Trade Mark Office. In 2006, OHIM decided to abolish this division and to classify all food supplements and nutritional supplements in class 05, irrespective of their nature and purpose.

For many, the result appeared to be an unnecessary complication for a number of reasons. For one thing it would make the classification of International Registrations (especially those based on Community Trade Marks (CTMs)) more difficult while at the same time causing complications when making priority claims.

More importantly however, the inclusion of food supplements and nutritional supplements in class 05, a class in which the registers are already subjected to substantial filing activity, means that availability searches for new trade marks would become even more complex and voluminous. The two sectors (pharmaceutical and food industries) would be forced to pay a far greater degree of attention to each other’s trade marks than was the case previously.

However, it was felt that with some additional effort, it should still be possible to clear trade marks due to the differences between the goods which should be remote enough to allow for co-existence.

This assumption may be about to change in view of the OHIM’s practice in a number of recent opposition decisions:

In decision B I 304 643, issued on 17th April 2009, the OHIM compared the earlier goods ‘destined to pharmaceutical purposes’ (correctly) found to be dissimilar to ‘food for babies’ is (cited above), ‘food for babies’ is well, since in decision No. B I 056 458 (cited above), ‘food for babies’ is (correctly) found to be dissimilar to ‘pharmaceutical products’ despite the fact that it is also classified in class 05.

Of course, nutritional supplements and food supplements are not pharmaceuticals. But care should be taken to ensure that similarity is not defined too broadly and according to mistaken criteria, thus leading to findings which appear rather questionable.

In view of the plans of the OHIM to introduce a database with findings on the similarity or dissimilarity of goods which will be binding for the examiners, this issue appears to have a new relevance. It seems that it may be worthwhile to closely monitor future decisions of the OHIM and the database itself to see whether these decisions show a new standard and whether classification will be used as a standard argument for finding that goods or services are similar.