Law Lore & Practice

PTMG Pharmaceutical Trade Marks Group

June 2020

Editorial: In praise of cooperation

To paraphrase Aristotle, human beings are social animals. Adjustments have always been made within families and organisations to accomodate varying personalities and needs, but by living together and sharing moments of exchange, individuals build collective memories from which to draw strength and go forth.

From one day to the next, this centuries-old social behaviour model has been brutally brought to a halt. Meeting, travelling, sharing, sporting and cultural activities all brought to a standstill. We have adapted; we have had to. And after the initial shock of the global lock-down, we have learnt to keep in touch in other ways – through small acts of generosity and caring in our close communities and thanks to technology throughout our wider family and professional circles .

The cornerstone upon which we have survived the past months and upon which we shall re-build the essence of our humanity, must be cooperation. Only then shall we truly beat this invisible enemy.

Whilst we shall not meet in Amsterdam this Autumn, the PTMG family will continue its own special brand of cooperation, led by our dedicated Board and Committee, who join me here in thanking Lesley Edwards, for all her tireless efforts on behalf of the Group.

May you & your loved ones stay safe.

Vanessa

US Update

by Jonathan S. Jennings Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP

In a recent case, the USPTO's Trademark Trial and Appeal Board (Board) provided lessons for brand owners who may encounter a merely descriptive objection, including the importance of avoiding damaging statements in marketing materials. In re SV Life Sciences Managers LLP, 2020 WL 1873062 (TTAB April 1, 2020)(non-precedential).

SV Life Sciences Managers LLP (SV Life) applied to register DEMENTIA DISCOVERY FUND for pharmaceutical and medical preparations and substances for the prevention and treatment of dementia, among other related goods and services. The Examining Attorney rejected the application to register the mark as merely descriptive. SV Life appealed this finding to the Board.

Following the Federal Circuit's precedents for evaluating descriptiveness, the Board analyzed consumers' likely understanding of each word in SV Life's mark, as well as the impression of the mark as a whole, since the whole can theoretically be more distinctive than the sum of its descriptive parts. Here, SV Life had conceded the mere descriptiveness of 'dementia' by disclaiming the exclusive right to use this word (apart from the mark as a whole) during prosecution of the application. For the second word, 'discovery' which was not subject to a disclaimer, the Board considered SV Life's argument that 'discovery' had no single meaning in the pharmaceutical and medical fields and that the word in the context of the mark constituted a 'a [c]lever juxtaposition of two antonyms 'DEMENTIA' (suggesting losing person's mechanisms of acquiring information) and 'DISCOVERY' (suggesting owning person's mechanisms of acquiring information)…' To bolster its point, SV Life also had submitted many third-party registrations of marks incorporating 'discovery' without disclaimers in the medical and pharmaceutical research fields.

The Board did not look at the word 'discovery' in isolation, but considered the other words in the mark to assess its meaning. It found a link between 'discovery' and the word 'fund' such that 'Discovery Fund' had a clear meaning in the pharmaceutical and medical research industry. The word 'dementia' in its analysis served to describe the particular field of research for the 'Discovery Fund'.

The Board then turned to SV Life's press releases and website, pointing out descriptive uses of the mark in those materials. It also concluded that multiple meanings of 'discovery' in third-party marks were not controlling, as just one descriptive meaning is enough to bar registration. Finally, SV Life had disclaimed the word 'fund' so it was also merely descriptive, although the Board noted that industry uses supported this finding.

After analyzing the individual words and finding them merely descriptive, the Board considered the impact of the mark as a whole, and focused on statements on SV Life's website, including the statement that its Dementia Discovery Fund is 'a venture capital fund created to facilitate the

continued on Page 3

Words from the Chair

Like most other people (at least those who still have a job) I sit in my home office and fulfill my everyday job routine waiting for the COVID-19 pandemic to go away and trying not to worry too much about it. This is the worst global crisis I have seen in my whole life. In January we first heard about this new disease in Wuhan which seemed to be far away. Perhaps it was naïve to believe that in our globalized world this plague could be fully contained. Then came reports on first cases in other Asian countries and also Italy, Austria and Germany. What ensued was the sudden and almost complete erosion of normality.

As a German I remember the historical address to the nation of Chancellor Angela Merkel which was broadcast on March 18 where she told all of us: 'This is serious. Since German reunification, no, since the Second World War, there has not been a challenge for our country in which action in a spirit of solidarity on our part was so important. Getting on top of the coronavirus epidemic is a historic task - and it can only be mastered if we face it together.' I guess there is a lot of truth in these words. COVID-19 has and will have massive consequences for all of us: Many people have lost their lives, families have lost fathers, mothers, relatives and were not even able to bury them with dignity. National health systems are on the brink of collapsing. Millions have lost or will lose their jobs due to all the lockdown measures. I am confident that we can overcome this crisis and in the end we will prevail. It is frustrating though to see countries competing against each other for supply of medical apparatus like masks and disinfectants rather than coordinating their efforts.

Also for PTMG as an organization the current crisis has a massive impact: We had to cancel our 100th PTMG Conference earlier this year a week prior to the event. You will probably have noticed on our PTMG website that due to the ongoing health and safety measures and the high level of uncertainty we have also postponed our Autumn conference in Amsterdam until October 2021. For a not for profit organization such as PTMG (which completely depends on conference registration fees as primary source of income), this is a heavy blow to our financial resources.

But the worst of all is that we very much miss you, our members, friends and colleagues! In my worst nightmares I would never have foreseen that we would ever be in a situation without holding a conference for more than a year. I do hope though that you will not forget us during this long period and will be with us when the circumstances will allow us to start again...

Stay healthy wherever you are and take care!

Frank Meixner

Members News

Moves and Mergers

Susie Arnesen has left Løje, Arnesen & Meedom and established Arnesen IP Advokatfirma in Hellerup, Denmark. Susie can be contacted at spa@arnesenip.dk

Abida Chaudri has joined Norton Rose Fulbright LLP in London, UK and can be contacted at abida.chaudri@nortonrosefulbright.com

Axel Nordemann and **Anke Nordemann-Schiffel** have left Boehmert & Boehmert to establish Nordeman Czychowski & Partner. Axel is based in Berlin, Germany and can be contacted at axel.nordemann@nordemann.de and Anke is based in Potsdam, Germany and can be contacted at nordemann-schiffel@nordemann.de

Fatima Arrad fatimaarrad@baianat-ip.com, **Shadia Awad** s.awad@baianat-ip.com, **Nazeer Alkharouf** nazeer@baianat-ip.com, **Mohannad Al-Kharouf** m.kharouf@baianat-ip.com and **Nedal Al Kharouf** n.kharouf@baianat-ip.com are all now working with Baianat Intellectual Property, which has replaced SMAS-IP

Carlos Vicente Nogueira has established a new firm called Carlos Vicente Advogados and can be contacted at carlos.nogueira@carlosnogueiraip.com

Nancy Globus has left Med-ERRS to join Global Med Safety, LLC in Boynton Beach, Florida, USA. Nancy can be contacted at nglobus@globalmedsafety.com

Fernando Gomes has left IPAN to join ClarkeModet in Lisbon, Portugal. Fernando can be contacted at fgomes@clarkemodet.com

Maria Cruz Garcia has left J. Pereira da Cruz, S.A. to join ClarkeModet in Lisbon, Portugal. Maria can be contacted at mcruzgarcia@clarkemodet.com.pt

Rahul Chaudhry has taken over the firm Lall Lahiri & Salhotra and changed its name to Rahul Chaudhry & Partners, based in New Delhi and Gurugram, India. Rahul can now be contacted at Rahul@rahulchaudhry.com

Eran Soroker is now with Soroker Agmon Nordman in Herzliya, Israel and can be contacted at eran@sanlaw.legal

Oromena Ajakpovi is now with Udo udoma & Belo-osagie in Lagos, Nigeria and can be contacted at mena.ajakpovi@uubo.org

Alberto Giordano has left Martegani & Partners to join Chadha & Chadha in Gurugram, India. Alberto can be contacted at alberto@iprattorneys.com

Carmen Prieto Villegas has left Jorge Mera & Villegas to join OrangeIP in Santo Domingo, Dominican Republic. Carmen can be contacted at cprietovillegas@orangeiplaw.com

Frances Jagla has left Lane Powell PC to join Christensen O'Connor Johnson Kindness in Seattle, Washington, USA. Fran can now be contacted at frances.jagla@cojk.com

John Hackett, formerly with AJ Park, has joined Sortify.tm Limited in Auckland, New Zealand. John can be contacted at johnh@sortify.tm

Karine Disdier-Mikus has left DLA Piper France LLP to join Fiducial Legal By Lamy in Paris, France. Karine can be contacted at karine.disdier.mikus@fiducial-legal.net

Gordana Pavlovic of Cabinet Pavlovic, based in Belgium and Serbia, has a new email address gordana@cabinet-pavlovic.com

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

US Update continued

development of effective treatments for dementia.' The Board rejected the impact of other registrations incorporating 'discovery' in the pharmaceutical and medical research fields, underscoring that it was not bound by these prior decisions and they did not necessarily mean that in all situations the word 'discovery' would be considered distinctive.

Ultimately, the Board upheld the refusal to register based on the finding that the mark was merely descriptive. For brand owners, this case offers lessons even though the outcome may not have changed with a different approach.

First, agreeing to disclaim a portion of a mark has potential consequences on whether the mark as a whole may be deemed merely descriptive. Here, two out of three words had been disclaimed during prosecution, which made it easier for the Board to uphold a finding that the mark as a whole was merely descriptive.

Second, the Board did not evaluate the words of the mark in isolation from one another. It considered the juxtaposition of 'discovery' and 'fund' for example, to determine the commercial impression of 'discovery.' SV Life seemed to focus its arguments on the single word 'discovery' and its meaning when viewed next to 'dementia', at the expense of the influence of the word 'fund'.

Third, applicants should be mindful that their marketing materials to the public can be considered by the Board. When such materials use the mark sought to be registered descriptively, they are treated as evidentiary admissions against interest and are very difficult to get around.

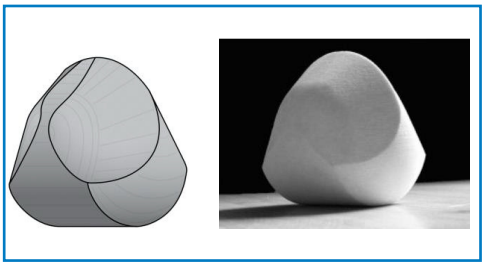
Even though this was not a use-based application, the applicant's marketing materials seem to have been the death knell for its trade mark application.

Shape marks in Europe: latest development – Gömböc

Verena von Bomhard, Bomhard IP

On 23 April 2020, the CJEU delivered its judgment on the three-dimensional trade mark 'Gömböc' in case C-237/19, answering questions of the Hungarian Supreme Court (Kúria) on technical functionality and substantial value of shapes.

Gömböc (pronounced ['gømbøts], a term based on the Hungarian word gömb (sphere), is the name given by Hungarian scientists Gábor Domokos and Péter Várkonyi to this shape (on the left, a structure drawing, on the right, the trade mark at issue):



In 2006, they succeeded in proving Russian mathematician Vladimir Arnold's theory that convex homogenous bodies exist that have only one stable and one unstable point of equilibrium – so-called mono-monostatic bodies. Subsequently, they developed the Gömböc shape to make the proof visible. In the meantime, this shape has inspired other creations, including an insulin capsule (see Abramson et al., Science 8 Feb 2019: Vol. 363, Issue 6427, pp. 611-615), so there is the connection to the pharma world!

In 2015, the legal protection of the shape, already a registered Community design, was to be enhanced by applying for trade mark protection in Hungary for toys and decorative items in classes 28, 14, and 21. This led to the dispute over the registrability of the shape, all the way to the CJEU.

The question of technical functionality arose in the context of toys. As the Gömböc can self-right (which is logical as it only has one stable point of equilibrium), it was argued that the shape served this technical function. In this context, the CJEU confirmed what it had already said in Simba Toys (C-30/15 P), namely, that to determine the essential characteristics of a shape and whether these were necessary to obtain a technical result, judges and authorities were allowed to look beyond the graphical representation of the sign.

The analysis consists of two steps. Only in the first – the identification of the essential elements – the perception of the public is relevant. The assessment of the technical functionality of these characteristics, in turn, must be objective. In this context, in the Hungarian proceedings, the fact that the 'technical' achievement of the Gömböc is not the presence of one stable, but the absence of more than one unstable equilibrium point, may play a role. The self-righting ability of the Gömböc, as such, is not a technical result to be achieved, but the result of a technical achievement.

As regards substantial value, the CJEU denied that decorative items always derived their substantial value from the outer shape, or that shapes protected as designs were automatically excluded from trade mark protection. There should be no automatism in trade mark law, and several types of IP protection can coexist. It further reiterated that the perception of the public is relevant when establishing the essential characteristics and clarified that the ground for refusal applied when there was objective and reliable evidence that the choice of consumers to buy the product in question was to a very large extent determined by these characteristics.

However, it had to be clear that it was indeed the shape as such and not for example the history of its conception or the identity of its creator that drove that choice. That might just save the Gömböc as the story behind it is its most valuable asset!

PTMG Autumn Conference in Amsterdam

Postponed to

20 -23 October 2021

SkyKick: UK High Court narrows Sky's trade mark protection and criticises the use of trade marks as a weapon

Richard May and Daniel Ramos, Osbourne Clark LLP

On 29 April 2020, the English High Court handed down its eagerly awaited judgment in Sky plc v SkyKick UK Ltd, holding that Sky has succeeded in its claim of infringement by SkyKick of its SKY trade marks. The judgment follows the Court of Justice of the EU's (CJEU) decision concerning the same case in January.

The UK High Court's judgment is of immense significance to brand owners because: the court has partially cancelled some of Sky's trade marks on the grounds that they had applied for them partly in bad faith. This follows the CJEU decision, which ruled that trade marks could be partially cancelled for those goods and services covered by the mark where the applicant had no intention to use the mark in relation to some of the goods and services covered.

However, this decision goes further than that of the CJEU because the UK court has ruled that broad terms in trade mark specifications can be cut down to specific goods and services for which there was intent to use. Sky's coverage of 'computer software' has accordingly been cut down to a more limited range of software.

It has been common practice to use very broad terms in trade mark specifications and many trade marks are probably now vulnerable to a claim that they have been partially filed in bad faith.

Brand owners should not lose trade mark protection for the goods and services for which they use their mark, but this decision will make it harder for them to enforce their rights against those using similar marks for other goods and services. We can expect claims of bad faith to become a common feature of trade mark disputes in the future.

What is the case about?

Sky, the well-known satellite and digital television broadcaster, sued Skykick, a start-up company that supplies cloud migration services in the UK for trade mark infringement for use of the word Skykick and other similar signs. Skykick denied infringement and counterclaimed for a declaration that Sky's trade marks were invalidly registered, either wholly or partially, because (i) Sky's specifications of goods and services lack clarity and precision; and (ii) Sky's marks were applied for in bad faith because Sky had no intention to use the mark for all the protected goods and services. The UK judgement concerned the latter only after the CJEU ruled that goods and services cannot be invalidated because they might lack clarity and precision.

The judgment in more detail

While Lord Justice Arnold found in favour of Sky on its infringement claim, he held that Sky had applied for its trade marks 'pursuant to a deliberate strategy of seeking very broad protection of the trade marks regardless of whether it was commercially justified...with the intention of obtaining an exclusive right for purposes other than those falling within the functions of a trade mark, namely as a legal weapon against third parties...'. Furthermore, he held that not only had Sky not intended to use its trade marks in relation to some of the goods and services covered by its specifications, but 'there was no foreseeable prospect that [Sky] would ever intend to use the Trade Marks in relation to such goods and services'.

He therefore held that Sky's registrations were partially invalid on the grounds that they had been filed in bad faith, and, importantly, that it was the task of the High Court to determine (in the absence of proposals from Sky) the extent to which the specifications of Sky's registrations should be reduced.

Included among the broad terms held to have been applied for in bad faith was 'computer software', which Lord Justice Arnold decided was to be limited as follows, so as to arrive at what he considered to be a fair specification:

'computer software supplied as part of or in connection with any television, video recording or home entertainment apparatus or service; computer software supplied as part of or in connection with any telecommunications apparatus or service; electronic calendar software; application software for accessing audio, visual and/or audio-visual content via mobile telephones and/or tablet computers; games software'.

Crucially, Lord Justice Arnold made clear in his decision that while it was right that Sky's specification was to be narrowed to reflect the finding of bad faith, it was only to be narrowed to the extent of the bad faith proved, and no more. He went on to note that Sky's registrations should not necessarily be limited to the goods and services in respect of which Sky has actually used the trade marks, as this would ignore the fact that: (a) applicants may have justifiable commercial reasons for seeking to register trade marks for goods and services that may be offered under the mark in the future; and (b) applicants have a legitimate interest in seeking a modest penumbra of protection extending beyond the specific goods and services in relation to which they intend to use their mark.

Although the High Court held Sky's registrations to be partially invalid and limited Sky's protection accordingly, this did not change the overall result as Sky's registrations were deemed validly registered for 'telecommunications services' and 'electronic mail services', in respect of which SkyKick had infringed Sky's registrations.

Implications for brand owners

The High Court's judgment will have far-reaching consequences for brand owners as it has effectively opened the door for registrations with broad specifications to be attacked on the grounds of bad faith. Furthermore, brand owners should now consider carefully how to describe goods and services when filing applications so as not to open themselves up to attack on this basis.

Brand owners should not despair. Even if a broad term covered by a trade mark is found to be invalid on the grounds of bad faith, the High Court judgment confirms that protection will only be narrowed to the extent that bad faith is proved. Protection will be kept for the goods and services for which the trade mark is actually used or for which a genuine intention to use can be shown. In other words, brand owners with broad specifications, which may now be considered to have been filed in bad faith, will still be able to maintain protection in respect of their core goods and services, so long as they have used, or at the time of filing had a reasonable prospect of using, their trade mark for those goods and services.

At present, the High Court judgment does not preclude brand owners from continuing to file trade marks for broad specifications (although doing so will now run a very real risk of attack), and it remains to be seen whether the UK Registry (as well as possibly other registries in the EU) will begin to object to broad terms such as 'computer software' at the examination stage. What is clear, however, is that for those brand owners who have their specifications narrowed, it will be more difficult to enforce their rights against third parties using similar marks for goods and services falling outside of their core activities. Furthermore, we can expect claims of bad faith in the context of broad specifications to become a common feature of trade mark disputes in the future.

International Update

EURASIAN ECONOMIC UNION

PETOSEVIC

The Agreement on the Eurasian Economic Union (EAEU) Trade Marks, Service Marks and Appellations of Origin was signed on 3 February 2020 by all EAEU members states —Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia. The Agreement will enter into force once all member states bring their registration procedures and official fees in line with the Agreement and deposit their instruments of ratification to the Eurasian Economic Commission (EEC), expected by the end of 2020. The Agreement was first signed by the EEC in December 2018.

This significantly moves forward the process of establishing a unified EAEU IP system, under which right holders will be able to obtain legal protection simultaneously in all EAEU member states by submitting one application to any of the national offices, i.e. they will be able to choose a 'receiving office'. Each trade mark application will undergo preliminary (formal) and substantive examination, with the entire registration procedure estimated to take approximately one year. The EAEU trade mark will be kept in a single register administered by the EEC.

Apart from offering a more efficient way to obtain full protection in all member states, the unified system is also expected to offer a more affordable procedure, because the applicant will pay a single filing fee at the receiving office only. However, examination fees will still need to be paid to all national offices separately. The applicant will also be able to reduce the translation costs, because an application may be filed in Russian or in any officially recognised local language together with a Russian translation (in the event of any discrepancy, the Russian version will prevail).

KAZAKHSTAN

PETOSEVIC

On 26 December 2019, the President of Kazakhstan signed a Decree No. 229 limiting administrative actions that IPR owners can take against small businesses suspected of IPR infringement. As a result, the suspension of police actions such as raids of premises suspected of storing counterfeit goods took effect on 1 January 2020 and will continue until 1 January 2023.

The Kazakh government explained that the measures are designed to support small local enterprises. However, the change has a negative impact for trade mark owners, because raids were the main tools used in securing evidence against counterfeiters.

The inspections can still be conducted under certain circumstances, but all inspections related to intellectual property rights, specifically trade mark rights infringement, have been completely banned.

Many local infringers involved in counterfeiting activities correspond to the requirements of a small business entity (i.e., the average annual number of employees does not exceed 100 people) and even if they do not – it may be expected that medium-size infringers might re-organize the business so that it consists of several small business entities instead of one medium entity.

The administrative actions are still possible against medium and big business entities, and also against individuals that did not officially register the entities.

It is also possible to initiate cases under the Criminal Code, but thresholds based on numbers and values of infringing goods must be met.

After the roundtable organized by a local IP firm, a letter has been sent to the President's Administration, asking to include trade mark infringement cases into the list of exceptions, so that raids will again be allowed. However, up until now the government has not responded.

PORTUGAL

J. E. Dias Costa, Lda.

When dealing with the pandemic situation caused by the new Coronavirus SARS-CoV-2 (COVID-19 disease), at first the Parliament approved Law No. 1-A/2020 of 19 March 2020, establishing that all deadlines for acts before the Portuguese Industrial Property Institute-INPI (PTO) were suspended until further notice, to be duly decided by the government. This Law established that suspension started on 12 March 2020, meaning that, as from said date, all deadlines were suspended. When this suspension was lifted, the deadlines restarted counting.

More recently, the Parliament approved a new Law No. 4-A/2020 of 6 April 2020 establishing the end of the suspension of the deadlines, for acts performed exclusively by electronic means before the Portuguese INPI. This Law entered into force on 7 April 2020.

The problem with this Law is that previously there were no acts performed exclusively by electronic means before the PTO. All acts could be performed either by electronic means or on paper.

So, on 15 April 2020 Government Decree-Law No. 16/2020 was published establishing that all acts before the PTO must be performed by electronic means. This Decree-law entered into force on 16 April 2020.

For all pending deadlines the suspension period that will be applied shall be 12 March 2020 to 15 April 2020.

In conclusion, deadlines for IP matters before the PTO are no longer suspended. As from 16 April 2020 deadlines are running on usual terms.

SERBIA

Gordana Pavlovic, Cabinet Pavlovic East Europe, Brussels and Belgrade

On 6 May 2020 Serbia lifted its state of emergency, which had been imposed on 15 March 2020 due to the COVID-19 pandemic. During the state of emergency, all deadlines in pending administrative and court proceedings were suspended. This is now no longer the case.

With regard to administrative proceedings, deadlines which fell during the state of emergency (which were automatically suspended) will expire on 5 June 2020 - that is, 30 days following the lifting of the state of emergency.

For notifications/decisions which were served during the state of emergency (between 15 March and 6 May 2020), non-extendable deadlines (eg, the deadline to establish customs watch after an ex-officio customs seizure) will not run from the actual date of service, but from 21 May 2020 - that is, 15-days following the lifting of the state of emergency. Extendable deadlines, such as the deadline to respond to an office action, will expire either on 5 June 2020 (if they fell between 15 March and 6 May 2020) or on the actual deadline date (if they fell after 6 May 2020).

In court proceedings (both civil and administrative), deadlines which were suspended during the state of emergency now continue to run after the lifting of the state of emergency on 6 May 2020. This is for example the case with the deadline to file an administrative lawsuit.

SERBIA

Gordana Pavlovic, Cabinet Pavlovic East Europe, Brussels and Belgrade

On 1 February 2020, the new Trade Mark Law came into force in Serbia. The law further harmonises the Serbian trade mark legislation with that of the European Union, in particular with the Harmonisation Directive 2015/2436 and the Enforcement Directive 2004/48.

Below is an outline of the main changes. The Trade Mark Law introduces opposition proceedings, in combination with ex officio examination on absolute and relative grounds. Trade mark applications are first examined on absolute

continued on Page 6

and relative grounds and, if found suitable for registration, they are published in the Intellectual Property Gazette for opposition purposes. The deadline for opposition is three months from publication date. If the applicant does not respond, the opposition is automatically accepted. The Law provides for a maximum cooling-off period of 24 months.

The decisions of the Serbian IP Office can be challenged by filing an administrative lawsuit before the Administrative Court. The new law abandons the possibility of appealing to the Board of Appeals at the Ministry of Education, Science and Technological Development. The decisions of the Administrative Courts can be further challenged in the revision proceedings before the Serbian Supreme Court of Cassation.

Like the old Law, the new Law provides for the mandatory use of trade marks. Third parties can challenge a trade mark in case of unjustified non-use for a period of time longer than five years starting from the registration date or the date of last use. The novelty is that, in case of cancellation for non-use, the trade mark ceases to be valid on the date of filing of the non-use cancellation action. In the past, the trade marks ceased to be valid on the date of expiry of the five-year period (from the registration date, respectively from the date of last use). Use of an earlier trade mark is also required in opposition/invalidation/infringement action, but only if the trade mark was registered for longer than five years and if the adversary raises an issue of use. If this issue is raised in the context of a trade mark infringement action before the Court, the defendant will be directed to challenge the plaintiff's trade mark by way of non-use cancellation action before the IP Office.

Trade mark enforcement is improved under the new Law. The Law features detailed provisions on the collection of evidence, preliminary injunctions, the securing of evidence and the calculation of damages and provides for liability for intermediaries. Further, the Law introduces a provision allowing trade mark owners to prohibit the use of their trade mark in comparative advertising in a manner which is contrary to law. The statute of limitation remains three years from the date on which the trade mark owner became aware of the infringement and the identity of the infringer, and five years from the date of the infringement. The novelty is that, in case of continuous infringement, the five-year term is calculated from the date of the last infringement, which is a welcome change.

The Law re-introduces a provision that a trade mark owner can prohibit not only the import and export of infringing goods, but also their transit through Serbia. In the past, Serbian trade mark legislation provided for the protection of trade marks against goods in transit but, following changes in the European legislation, such protection was removed from the Serbian legislation. The re-introduction of this provision is a welcome move.

A less welcome move is that the Law replaces national exhaustion by international exhaustion, which will change into European exhaustion only when Serbia joins the European Union. The trade mark owner is able to oppose commercialization of the goods where it has legitimate reasons for that and especially where the condition of the goods is changed or impaired after they have been put on the market.

The new Law applies to trade mark applications filed after 1 February 2020 and trade marks which were registered on that date. Pending applications filed before 1 February 2020 continue to be examined under the old law. The same goes for legal proceedings (e.g. cancellation and infringement proceedings) which were initiated before 1 February 2020 and which were still pending on that date.

The first national applications were published for opposition purposes in the February issue of the Official Gazette. Normally, the Gazettes are published monthly, but there has been a delay caused by the COVID-19 pandemic. Now that the IP Office has resumed their normal work, more applications will be published in May or June. Publishing applications on a larger scale will probably take place sometime in Autumn.

SINGAPORE

Denise Mirandah and Yan ChongShuo, Mirandah Asia

On 21 November 2019, the second phase (Phase 2) of enhanced IP border enforcement measures under the Intellectual Property (Border Enforcement) Act 2018 (IPBEA) came into effect upon the entry into force of the EU-Singapore Free Trade Agreement (the EUSFTA).

The IPBEA was enacted following the conclusion of the EUSFTA in 2014 by which Singapore agreed to enhance its border enforcement measures to deal with goods which infringe intellectual property rights. These border enforcement measures will be implemented in three phases. The first phase (Phase 1) of enhanced IP border enforcement measures under the IPBEA was implemented on 10 October 2018 and brought into effect provisions empowering the Singapore Customs to obtain and provide to intellectual property rights holders (IPR Holders) information in respect of seized goods necessary to institute an action for the infringement of copyright and registered trade marks.

Phase 2 of the IPBEA includes the following:

- IPR Holders may request the seizure of goods to be exported which they suspect infringe their copyright or registered trade marks. This is in addition to the existing procedures whereby IPR Holders may request the seizure of imported goods on the same grounds; and
- The standardization of IP border enforcement procedures across the Copyright Act (Cap. 63) and the Trade Marks Act (Cap. 332).

The third and final tranche of enhanced border protection measures (Phase 3) under the IPBEA is expected to come into force within 3 years of the entry into force of the EUSFTA (i.e. by 20 November 2022) and provide for the following:

- IPR Holders may request the seizure of imported goods or goods to be exported which they suspect infringe their registered designs. Owners of registered geographical indications may also request the seizure of infringing goods (whether imported or to be exported) under provisions of the Geographical Indications Act 2014 (No. 19 of 2014) which are set to commence in tandem with Phase 3;
- The Singapore Customs are empowered to obtain and provide to IPR Holders information in respect of seized goods necessary to institute an action for the infringement of registered geographical indications or registered designs; and
- The standardization of IP border enforcement procedures across the Geographical Indications Act 2014 (No. 19 of 2014) and the Registered Designs Act (Cap. 266).

A table summarizing the amendments in the IPBEA is set out for reference overleaf.

continued on Page 7

Border Enforcement Measures	Copyright	Trade Marks	Registered Designs	Geographical Indications
Power of Singapore Customs to obtain and provide information in respect of seized goods to IPR Holders	Phase 1 (effective 10 Oct 18)	Phase 1	Phase 3 (to come into effect by 20 Nov 22)	Phase 3
IPR Holders may request the seizure of imported goods	Existing prior to the IPBEA	Existing prior to the IPBEA	Phase 3	Phase 3*
IPR Holders may request the seizure of goods to be exporteded goods	Phase 2 (effective 21 Nov 19)	Phase 2	Phase 3	Phase 3*
Standardization of border enforcement	Phase 2	Phase 2	Phase 3	Phase 3

* *Note: the provisions relevant to the seizure / detention of infringing goods can be found in the Geographical Indications Act 2014 but will only commence at a date to be determined by the Minister in tandem with Phase 3.*

SLOVAKIA

Zuzana Cich Hecko, Allen & Overy Bratislava

At the end of 2019, the Court of Appeal in Bratislava delivered an interesting judgment, which gives trade mark owners guidance on how to financially compensate immaterial aspects of trade mark infringement (in Slovak: nemajetková ujma). This decision needs to be distinguished from 'damage' awards (which would normally reflect either losses on the side of the plaintiff or an unjust enrichment of the defendant that is directly linked and attributable to the infringement). Damages need to be quite precisely calculated and estimates are accepted only to a certain extent. Compensation of immaterial harm offers possibility of more lenient calculation. This is because unlike damage claims, compensation of immaterial harm awards will never return the plaintiff to a situation as if there was no infringement. Despite the fact that compensation of immaterial harm awards tend to be lower than actual damages compensation, due to their relatively simple calculation, they are gaining popularity in Slovakia (and in the Czech Republic, which offers a similar system of compensation).

The dispute arose between Horphag Research Management SA (Horphag, acting as a plaintiff) and Unimed Pharma spol s r.o. (Unimed Pharma, acting as a defendant) in relation to the latter's product ProVens. The judgment, apart from an obligation to provide compensation, also contained an obligation for the defendant to publish an apology for infringement of a trade mark. In Slovakia, such judgments have not often been seen in IP matters.

The dispute arose when trade mark owner, Horphag, realised that its trade mark PYCNOGENOL® featured on the product ProVens, which, however, did not contain any PYCNOGENOL®. Since a cease and desist letter did not lead to the removal of the trade mark from the competitor's product, litigation was initiated. In the lawsuit, the plaintiff requested, along with an order to refrain from further use of its trade mark, compensation for harm caused by the defendant's long-term use of the trade mark and a published apology. The litigation between the parties took almost seven years.

Previous court decisions in relation to financial compensation of immaterial harm included little to no detail regarding the calculation matrix of such awards. The present decision does not contain an exhaustive or comprehensive calculation matrix either, but does provide trade mark owners with many useful suggestions.

The court ruled that compensation of immaterial aspects of infringement in monetary terms is difficult to estimate precisely; nevertheless, parties' calculations cannot be too general. The court further added that such compensation must equal an amount that would constitute a sanction for the infringing party. It further stated that financial compensation of immaterial harm is particularly justified in cases where immaterial harm has also monetary aspects, such as decreased pool of customers.

The plaintiff's calculation matrix was relatively simple: it examined the turnover of two (legitimate) products, produced by the plaintiff's local licensees, which could be considered as substitutes of the ProVens product, but containing (actual) PYCNOGENOL®. The turnover of both products showed gradual decreasing tendencies during the period when the defendant's infringing product was on the market in Slovakia. Subsequently, hypothetical loss for each of the two products (taking into account that profits would remain the same throughout the years) was estimated. Additionally, the plaintiff's expenses spent on marketing were added on top of the estimated loss, making a total of EUR €65 000.

The court made clear that it cannot be concluded that the decreased turnover of the two licensees' products is linked to the conduct of the defendant (or caused by it); nevertheless, the court was willing to grant half of the claimed amount (i.e., EUR €32 500) and added that the other half should be compensated by publication of an apology. The court stated that the amount of EUR €32 500 was considered appropriate also because the defendant did not 'actively lead' an unfair campaign against the plaintiff, but 'merely' misleadingly used its trade mark.

Regarding the publication of an apology, the initial request made by Horphag was for an apology published: (1) in the daily newspaper SME and (2) in the magazine Zdravotnícke noviny (Pharma news), a well-known pharmaceutical magazine in Slovakia. The court stated that an apology in newspaper SME would reach a much wider audience than just the pharmaceutical industry, as it is read by 5.5% of the population in Slovakia and so was considered excessive. Publication of an apology in a targeted pharmaceutical magazine, was, however, considered appropriate. The court additionally stated that an apology on its own would not be sufficient, due to the long-term nature of the infringement.

UKRAINE

PETOSEVIC

The amendments to Ukraine's Customs Code related to customs enforcement of intellectual property rights entered into force on 14 November 2019.

The amending law is modeled after the Regulation (EU) No. 608/2013, which is another step towards bringing Ukrainian legislation to the EU standards and fulfilling obligations under the EU-Ukraine Association Agreement. The changes are aimed at strengthening customs enforcement of IP rights and accelerating

continued on Page 8

the movement of genuine goods across the border.

Several key changes are outlined below:

1. Revised List Of IP Rights

The list of IP rights subject to customs protection now includes topographies of semiconductor products and excludes utility models. While the initial list included trade names, they were deleted during the second reading.

2. Revised Definitions

The definition of the term 'counterfeit goods' has been broadened and includes, among other things, 'any packaging, label, sticker, brochure, operating instructions, warranty document or another similar document, even if presented separately'. The terms 'pirated goods' and 'goods suspected of infringing intellectual property rights' have been included in the Customs Code for the first time.

3. Revised List Of Situations In Which Customs Enforcement Of IPR Must Be Carried Out

In the event of suspected IPR infringement, the customs authorities will take action concerning the goods:

- Carried by private individuals into or out of Ukraine;
- Entering or leaving the customs territory of Ukraine (including goods in transit);
- Placed under the customs regimes of import, re-import, export, re-export, temporary import, temporary export, customs warehouse, free trade zone, and processing inside and outside the customs territory.

4. Exclusion Of Genuine Goods From Customs Enforcement Procedures

The customs enforcement of IP rights now does not apply to genuine goods, which are defined as 'goods manufactured with the consent of the rights holder, or goods manufactured by a person authorized by the rights holder to produce a certain quantity of goods, even if the quantity exceeds the quantity stipulated by that person and the rights holder'. Previously, the customs officials had the authority to suspend parallel imports, that is genuine goods imported by unauthorized parties.

This amendment implicitly confirms the principle of international exhaustion of IP rights in Ukraine, and will likely diminish the role of the customs register of IP rights as a tool against parallel and grey imports. The register was often used for monitoring and preventing parallel imports, by posing time- and cost-related challenges to unauthorized importers of genuine goods.

Under the amendments, protective customs measures do not apply to personal effects (articles, new or used, which a traveler may reasonably require for his or her personal use during the journey) and goods of a private and non-commercial nature brought into Ukraine as part of hand luggage or checked baggage, as long as they meet the value and weight requirements specified in the Ukrainian Customs Code.

5. Amended Simplified Procedure For The Destruction Of Infringing Goods

The simplified procedure for the destruction of goods suspected of infringing IP rights has been harmonized with the one in the Regulation (EU) No. 608/2013. If the owner of the goods does not explicitly object to the destruction within a prescribed time period, the customs officials will destroy the goods (tacit consent). Previously, the simplified procedure would not have been carried out without the written agreement between the rights holder and the owner of the goods.

6. Reimbursement Of Costs For The Storage And Destruction Of Goods

Rights holders need to reimburse the costs incurred by the customs authorities for the storage and destruction of goods, the customs clearance of which was suspended. The amending law includes a provision entitling the rights holder to seek compensation from the owner of the infringing goods, or from other persons who might be considered liable for the infringement. The rights holder may request a cost estimate from the customs authorities.

7. Early Release Of Suspended Goods

Early release of goods suspected of infringing IP rights, under certain conditions and upon the owner/declarant's request, has been introduced. The following conditions must be met:

- The detained goods are suspected of infringing the following IP rights: industrial designs, patents, plant varieties or topographies of semiconductor products;
- The customs authorities have no information from the competent state authorities on precautionary measures regarding these goods, or on the application of measures which prevent their use;
- The owner of the goods has provided documents confirming that the rights holder and the owner of the goods have come to an agreement; and
- All customs formalities required for the release of these goods have been completed.

Initially, the amending law included a guarantee requirement, similar to the requirement from Art. 24 of Regulation (EU) No. 608/2013, but the wording was changed to the 'agreement between the rights holder and the owner of the goods'.

The provision introducing the early release of goods is considered to be a measure against patent trolling, but it is uncertain if it will prove effective, taking into account the procedural requirement of obtaining an agreement between the owner of the goods and the rights holder.

8. Destruction Of Small Consignments

A procedure for the detention and destruction of small consignments similar to the one outlined in the Regulation (EU) No. 608/2013 has been introduced.

9. Customs Authorities Relieved Of Financial Liability

The amending law includes a provision stating that rights holders cannot seek compensation for damages from customs authorities for any untaken enforcement actions.

IP experts and rights owners have criticized this provision, which may provide an excuse for the inadequate enforcement of IP rights.

UZBEKISTAN

PETOSEVIC

On 30 December 2019, the Uzbek President signed a decree introducing reform measures to upgrade the healthcare system. The primary measure introduced by the decree is a reference pricing system for Uzbek and foreign medicines. This system establishes a common reimbursement level or reference price for a group of interchangeable medicines, i.e., the reference group. The pricing system will be implemented in three phases.

Phase One

By 1 March 2020, the Agency for the Development of the Pharmaceutical Industry under the Uzbek Ministry of Health should approve a selection of at least 10 reference countries belonging to the high, above average and below average per capita income groups. The Agency should also approve a procedure according to which medicine registration certificate holders or their authorized representatives will submit, to the Agency, information about retail prices of a certain drug in its country of origin, in reference

continued on Page 9

International Update continued

countries and in Uzbekistan. This refers to medicines produced by the same manufacturer and having the same active substance, dosage form, number of units in the package, concentration, volume and packaging.

Phase Two

By 1 May 2020, the Cabinet of Ministers should present a draft law to the Legislative Chamber of the Supreme Assembly introducing administrative and criminal liability for violating the legal requirement to prescribe medicines using INNs. The draft law should also introduce amendments to the Law on Health Protection in order to prohibit medical workers from receiving financial rewards or any other incentives from pharmaceutical organizations and pharmacies for the prescription and sale of certain medicines.

Phase Three

By 1 July 2020, the Agency for the Development of the Pharmaceutical Industry should register marginal costs for each brand-name pharmaceutical product included in the List of Essential Drugs, and establish price limits above which foreign medicines cannot be imported into Uzbekistan and above which domestic medicines cannot be offered for sale by local manufacturers.

By 1 July 2020, the Ministry of Health should also approve:

- Legislation regulating the procedure for prescribing medicines using INNs, including the legal liability of medical personnel for the violation of this procedure;
- Regulation on the interchangeability of medicines for medical use;
- The procedure for organizing secret test purchases, to be carried out by the Agency for the Development of the Pharmaceutical Industry and the Consumer Protection Agency under the Uzbek Antimonopoly Committee.

The Agency for the Development of the Pharmaceutical Industry will be responsible for monitoring and analyzing the reference pricing system, alone and with the assistance of consumer rights' protection organizations. The Agency will also create and maintain an automated information system on its official website presenting information on organizations engaged in pharmaceutical activities, registered and certified pharmaceutical products, as well as registered marginal costs for brand-name pharmaceuticals and their wholesale and retail prices.

No supplements needed for the opponent

Laura Nend and Chris McLeod, Elkington + Fife

The UK Intellectual Property Office (UK IPO) has issued a decision in relation to consolidated oppositions to two UK trade mark applications for the mark TESTOGEN.

Background

In April 2019, Bauer Holdings Limited (the applicant) applied to register the word mark TESTOGEN in class 5 for dietary supplements and related goods, and the same mark with a figurative element in classes 5 and 25.

On publication, Besins Healthcare Luxembourg S.A.R.L (the opponent) filed oppositions directed at the class 5 goods covered by the applications. The oppositions were based on section 5(2)(b) of the Trade Marks Act 1994 (TMA 1994), relying on similarity between the marks at issue and the opponent's earlier mark and on identity and similarity between the respective goods. They were also based on section 5(3) of the TMA 1994, relying on reputation of the earlier mark in the UK.

The opponent relied on an earlier class 5 registration of TESTOGEL, which covered pharmaceutical preparations and substances in gel form.

UKIPO decision

The UKIPO upheld the opposition in relation to sections 5(2)(b) and 5(3).

The Hearing Officer (HO) defined the average consumer as the general public or a medical professional. The general public might purchase the applicant's goods or use the opponent's goods if they were recommended or prescribed by a medical professional. The HO added that the average consumer was likely to have an enhanced level of attention when selecting pharmaceutical products or supplements.

As the earlier mark had been registered for over five years, the applicant requested proof of use. The HO considered that the filed evidence as a whole showed significant use of the mark TESTOGEL in the UK in relation to testosterone replacement medication. In his view, the specification of the earlier mark was too broad. He held that the average consumer was likely to understand that testosterone replacement medication would fall into the category of hormone replacement preparations and substances. This term, including the original limitation 'all in gel form' was therefore deemed by the HO to be a fair specification to reflect the genuine use shown by the evidence.

On comparison of the goods, the HO considered that most of the applicant's goods were not pharmaceutical products, but suggested that they could be used in combination with the opponent's goods if they had health benefits which may complement hormone treatment. The HO also held that the goods shared some similarity in their nature and method of use because it was likely that they would be ingested, but their intended purpose would be different. The HO therefore held that the respective goods shared a low to medium level of similarity.

On comparison of the marks, the HO considered that the marks were visually and aurally similar to a medium to high degree as they only differed in the last letter and syllable. The HO pointed out that the prefix TESTO in the earlier mark alluded to 'testosterone', and that this would be the same for the marks at issue if they were used in relation to male well-being products. In this situation, the HO held that some conceptual similarity would be shared. As the earlier mark created an allusive reference to testosterone, the HO considered it had a low to medium degree of inherent distinctive character, which had not been enhanced through use.

In relation to section 5(2)(b), the HO considered that the visual and aural similarities in the marks would result in them being imperfectly recalled, resulting in a likelihood of confusion.

The opposition had succeeded on the basis of section 5(2)(b) alone, but the HO also addressed the section 5(3) ground. The HO considered that the evidence filed in the proceedings showed that the earlier mark had a reputation in relation to 'testosterone replacement preparations and supplements; testosterone supplements; all in gel form' and that a link would be made to the earlier mark when the consumer was faced with the marks at issue. The opponent argued that the marks applied for would:

- take unfair advantage of the reputation of the earlier mark;
- be detrimental to the distinctive character of the earlier mark; and
- be detrimental to the reputation of the earlier mark.

The opponent was successful in the first two claims. The last claim failed because there was no evidence to indicate that the goods which the applications covered were associated with a negative reputation.

The HO ordered the applicant to pay the opponent GBP £1700 in costs.

Comment

Businesses should be aware of trade marks used in other, possibly related industries in addition to their own because there may still be a likelihood of confusion even if the goods are not highly similar and there is an enhanced level of attention on the part of the relevant consumers.

E-Pharmacies in India

Ashwin Julka and Udayvir Rana, Remfry & Sagar

E-commerce provides ease of access and even before the COVID-19 outbreak, it was a significant, and expanding, mode of conducting business in India. There is a demand for online sale of medicines too, but the dangers of counterfeiting are higher on the Internet and the fallout of spurious drugs can be lethal. Despite such challenges, the nascent e-pharmacy market in India is estimated to surpass USD $3.5 billion by 2022. However, the absence of specific guidelines to govern this industry has meant that e-pharmacy operations have come under legal scrutiny time and again.

On 8 May 2020, a prominent organisation representing brick-and-mortar chemists moved the Delhi High Court (South Chemists & Distributors Association & Anr. v. UOI & Ors. W.P.) alleging the central government was promoting / favouring online pharmacies through India's COVID-19 contact tracing app named 'Aarogya Setu'. The mobile application provides a link to a website the name of which is quite similar to its own - www.aarogyasetumitr.in - and the website lists only e-pharmacies and telemedicine services in a stated effort to 'bring healthcare services to the doorstep of all Indians in the time of the COVID-19 crisis'. Per the plaintiff organisation, the portal's name was likely to mislead users into believing it was a government mandated website. Moreover, medicines procured through local pharmacy stores could also be home delivered securely during the ongoing COVID-19 situation, and the portal's implication that e pharmacies were somehow better placed to serve the health needs of people was false. The said portal was alleged to be discriminatory as well as illegal and it was demanded that it be immediately delinked from the Aarogya Setu App. The court has asked the government to file its reply and listed the matter for further hearing on 29 May 2020.

While we wait to see how this dispute plays out, it is instructive to look at statutes that govern the sale of pharmaceuticals in India. Principal legislations are the Indian Medical Council Act, 1948, the Pharmacy Act, 1948, the Drugs and Cosmetics Act, 1940 (the Act) and rules framed under i.e. the Drugs and Cosmetics Rules 1945 (the Rules). The Act and Rules regulate the import, manufacture, distribution and sale of drugs – they, inter alia, prohibit not only the manufacture, distribution and sale of drugs that are not of standard quality, are misbranded, adulterated or spurious but also the stocking, exhibition and offering for sale of such drugs and medicines. A license for conducting business is also a pre-requisite for pharmacies and premises in respect of which the license is to be granted must be adequately equipped for storing drugs and medicines. The Rules further mandate that prescription drugs must be sold under the supervision of a registered pharmacist who is required to maintain a record of the prescription provided.

In terms of e-pharmacies, absent specific regulation, they have been operating in a 'grey area'. Some outfits have independent websites / apps; they stock medicines in independent warehouses and upon receiving orders based on valid prescriptions deliver medicines to end-consumers. Others simply function as aggregators / intermediaries and connect neighborhood retail pharmacies to end-consumers – they claim to fall under the ambit of the Information Technology Act 2000, which governs liabilities of intermediaries in the face of e-commerce offences / disputes.

Be that as it may, the rapid upward trajectory of the e-pharmacy business in India speaks of a gap that exists in the market. However, it is not a gap that traditional pharmacies are happy for online pharmacies to fill. In September 2018, a pan Indian organization representing brick and mortar retail chemists, observed a nationwide strike to protest against the online sale of medicines by e-pharmacies without valid licenses, as well as against discriminatory prices offered via discount schemes. This triggered the introduction of an amendment to the existing Rules via a notification dated 28 August 2018 titled Sale of Drugs by E-Pharmacies (the Amendment), the salient aspects of which are:

- registration for conducting business is a must for e-pharmacies;
- a registered pharmacist must verify the details of the prescription, registered medical practitioner and arrange for the dispensation of drugs;
- 'Narcotic' and 'psychotropic' drugs as defined in the Narcotic Drugs and Psychotropic Substances Act, 1985 may not be sold by e-pharmacies;
- patient details must be kept confidential;
- advertising is prohibited on radio, television, internet, print media etc.; and
- data generated with respect to online transactions must be stored in an e-pharmacy portal located in India, and include information on the constitution of the e-pharmacy / ownership details / official logos / logistic service providers / return policies, etc.

Though progressive in nature, the Amendment is yet to be implemented. Meanwhile, four months post the Amendment proposal, in Dr. Zaheer Ahmed v The Union of India & Ors., the High Court of Delhi restrained the online sale of medicines sans a valid license and issued directions to competent authorities to restrict such sales. Around the same time, the High Court of Madras in The Tamil Nadu Chemists and Druggists Association v Union of India also granted a permanent injunction blocking online sale of medicines by e-pharmacists sans a valid license and observed that the government should notify the Amendment (which would enable such licensing) at the earliest and no later than 31 January 2019. Despite the aforesaid directions, the Amendment is still to be notified as governing law. Meanwhile, yet another direction was issued on 28 November 2019, this time by the Drug Controller General of India (India's drug regulatory body), prohibiting the sale of medicines through unlicensed online platforms across India till the draft rules to regulate e-pharmacies are finalised.

In jurisdictions where e-pharmacies are more established, such as the US, the EU and the UK, common safeguards include mandatory registration for online pharmacies. Further, use of a particular logo or seal certifies that the website is a legitimate channel for online sale of medicines and often links to a list of all legally operating online pharmacies / retailers. Other practices, for example in the US, require e-pharmacies to provide a street address, require a prescription, and have a licensed pharmacist to answer questions.

India would do well to formalise a regulatory framework for e-pharmacies keeping in mind global benchmarks. In light of the ongoing pandemic and disputes such as the one we began this article with, one hopes this will happen sooner rather than later.

Turkish average consumers: healthcare professionals or end users?

Dicle Doğan and Ayşenur Çıtak, Gün + Partners

In December 2019, the Court of Appeal issued two decisions in which the nature of consumers has been scrutinized while assessing likelihood of confusion between pharmaceutical trade marks.

Infantum v Infanta

A trade mark application INFANTUM was filed before the Turkish Patent and Trademark Office (the Office) covering goods in classes 3 and 5, against which an opposition was filed based on the prior registered trade mark INFANTA covering the same classes. The opposition was accepted in its entirety by the Office based on the likelihood of confusion.

The applicant filed an action for the cancellation of the Office's final decision by arguing that there is no likelihood of confusion between the trade marks since the target consumers of the medical goods should be considered as well-informed and highly educated.

The first instance IP Court (the IP Court) determined that the basis of the parties' trade marks is INFANT and questioned the meaning of it. It stated that INFANT is commonly used in medical goods although it is not derived from a name of an active ingredient. Therefore, the IP Court decided that the additional letters sufficiently differentiate the subject trade marks especially for medical goods.

As a result of the above assessment, the IP Court determined that there is likelihood of confusion between the trade marks for all the goods in class 3 and 'dietary supplements (including dietary supplements and animal feed additives for non-medical purposes, pollen as dietary supplement). Sanitary preparations (pads, tampons, plasters for medical purposes, materials for dressing, diapers made of paper and textile for children)' in class 5 since their end consumers are not medical professionals.

Overall, the IP Court decided the partial acceptance of the case and for the partial cancellation of the Office's decision with regard to 'medicine for human and animal health, chemical products of medical purposes, chemical elements, dietary supplements for medical purposes; preparations for slimming purposes, for food babies, preparations and herbal beverages for medical purposes, dental products (excluding instruments/devices), disinfectants, antiseptics, detergents for medical purposes.' in class 5 since their end consumers are medical professionals.

The matter was finally reviewed by the Court of Appeal upon both of the parties' appeals. The Court of Appeal first explained that pharmaceutical trade marks which originate from non-distinctive phrases or are the name of an active ingredient can be registered if they have distinctive characteristics.

The Court of Appeal further explained that subject trade marks are not derived from the name of a treatment or an active ingredient. Therefore, the professional nature of the end users (being healthcare professionals such as doctors, pharmacists and dentists) does not eliminate the high level of confusing similarity between the trade marks.

Hence, the Court of Appeal concluded that the case should also be dismissed for all the goods even if their end consumers are healthcare professionals. As a result of the above assessment, the Court of Appeal rejected the appeal of the plaintiff and overturned the IP Court's decision for the benefit of the defendant. The case was sent back to the IP Court. As to the next steps, a case will be re-recorded and a trial will be opened where the IP Court will decide whether to comply with the Court of Appeal's ruling or not.

Certican v Septican

The trade mark application SEPTICAN was filed before the Office covering goods in class 5, against which an opposition was filed based on the prior registered trade mark CERTICAN covering the same goods. The opposition was rejected in its entirety by the Office.

The opponent filed a cancellation action against the Office's decision before the IP Court. In its decision, the IP Court determined that even though pharmaceuticals shall be prescribed by doctors and sold in pharmacies, pharmacists may not have the same level of medical knowledge as a physician. The IP Court added that pharmacy technicians are also working in pharmacies and helping customers. Since there is similarity between SEPTICAN and CERTICAN and these products can technically be sold on the same shelves, the IP Court decided to partially accept the case with respect to the pharmaceuticals in class 5.

The decision was initially upheld by the Court of Appeal. Upon the Applicant's second appeal, the Court of Appeal re-examined the case and pointed out that the knowledge level of the target consumer is important while evaluating similarity and likelihood of confusion between trade marks and determined that the relevant consumers of the goods covered by these trade marks are doctors and pharmacists and that CER- and SEP- prefixes are highly different. Therefore the Court of Appeal ruled that there is no confusing similarity, no likelihood of confusion between the trade marks and overturned the IP Court's decision which decided for the partial acceptance of the case.

Importance of these recent decisions

The Office and first instance Courts had a very strict approach to the evaluation of trade marks covering goods in class 5, which were in line with many of the Court of Appeal's decisions. In Turkey, the majority of pharmaceuticals are in principle subject to a prescription and can only be sold in pharmacies. Therefore the Court of Appeal opined that end consumers do not have any influence during the prescription and purchase of pharmaceuticals. Thus healthcare professionals should be taken as the average consumers while assessing likelihood of confusion for pharmaceutical trade marks. This interpretation has been strictly applied and in many cases Courts decided that healthcare professionals would not confuse the trade marks in question.

The above-mentioned proceedings show that the Courts and the Court of Appeal consider the professional nature of pharmaceutical trade marks' relevant consumers as a factor decreasing the likelihood of confusion where there is no high level of similarity between the trade marks. However, we can assume that based on its recent decisions, the Court of Appeal does not ignore the high similarity between the pharmaceutical trade marks while evaluating likelihood of confusion, even if the relevant consumers are healthcare professionals.

PROFILE: Gunnel Nilsson

Gunnel worked for twelve years as an in-house trade mark attorney at Pharmacia and became head of the Global Trademark Department, a position held for thirteen years until the company was acquired by Pfizer. For the last fifteen years she has worked at the IP law firm Groth & Co as a trade mark attorney, and most of these years as deputy head of the Law & Trademark Department.

She has a particular focus on pharmaceuticals.

Where were you brought up and educated?

In Uppsala, Sweden, a town well known for its old university.

How did you become involved in trade marks?

By coincidence. I saw an advert for a 10 months temporary post in the trade mark department at Pharmacia. It should suit me well I thought while I was studying to become a teacher. 25 years later I left…..

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

Become a teacher.

Which three words would you use to describe yourself?

Cheerful, optimistic, energetic.

Complete the following sentence:

"I wish that …

this horrible pandemic COVID-19 to disappear so that we can all go back to our normal lives"

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

Swedish literature, English and German.

What was your worst experience in the world of work?

When I had to inform my colleagues at Pharmacia that we were all redundant and thus lost our jobs because of the acquisition of the company.

What do you do at weekends?

I play with my grandchildren and dine with family and friends.

Complete the sentence: If I have time to myself

I read a good book, take a bike ride, or go for a long walk.

Complete the sentence:

I'm no good at waiting in a queue.

What's the best thing about your job?

My colleagues! That every day is different and that the work is global which gives us all a chance to travel and meet wonderful IP people from all over the world.

What did you want to be as a child?

A singer! And as you can imagine my career would have been an extremely short i.e., non-existent.

What does all your money get spent on?

Good food, travel and, I must confess, dresses!

What would be your ideal night out?

A nice dinner with family and friends and a good red wine..

Who was your mentor or role model?

My first boss and General Counsel at Pharmacia, Eric Spetze. He trained and mentored me, and I owe a lot to him!

Which book or books are you currently reading?

Scandinavian crime stories

What is your favourite food dish?

Italian food, although the best dinner I have ever had was in Reykjavik.

What is your favourite holiday destination

Gotland, an island in the Baltic Sea, Iceland, and Greece.

What's the best invention ever?

Antibiotics because it has saved so many lives.

Which modern convenience could you not live without?

My smartphone.

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