

# Law Lore & Practice

PTMG



Pharmaceutical  
Trade Marks Group

Sept 2022



## Editorial: On Longevity

The world slowed to a steady marching pace last Monday as a global audience of approximately 32,5 million people tuned in to watch the funeral of her late Majesty Queen Elizabeth II. Citizens and heads of state of all political regimes were mesmerized by the pomp and circumstance that regimented such an

event. A multitude of people wanted to take part in this historical event, even as a spectator from afar. Why? What motivated so many people whose lives are dominated by non-stop news, zapping and constant bombardment of information, to stop the clock and immerse themselves into a world anchored in past rituals.

Sociologists will no doubt find much to write about in future decades when they look back at this moment in time. Coming hard upon a global pandemic when we were all forced to lock down and could not come together to grieve may just be one of the reasons that inspired some people to take part in this

collective movement of social communion. Another reason, of course, is the longevity of this monarch's reign. Only three months ago, the same country was celebrating 70 years of her accession to the throne. Commentators in every language have vied to remind us of global and national events that have taken place since 1952.

In 1970 when PTMG and WIPO were founded, the Queen embarked on her first ever walkabout during a royal tour of Australia and New Zealand. Today, we take it for granted that members of the Royal Family will 'meet the people' as so many of them have done since the accession of King Charles III. Without doubt, institutions, whatever their genesis, must evolve in order to remain pertinent and provide added value to people's lives.

At our upcoming conference in Lisbon, even though we no longer toast her Majesty during the Gala Dinner, delegates will joyously celebrate the 100th PTMG in-person conference and we shall all have the satisfaction of raising a glass to our own longevity!

**Vanessa**

## US Update

**Jonathan S. Jennings**

**Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP**

In a recent dispute between a specialty pharma company and a drug compounder, the First Circuit Court of Appeals confirmed that federal false advertising (Lanham Act) claims were not precluded by the US Food Drug and Cosmetic Act (FDCA) based on the specific circumstances presented here, and ruled that the plaintiff could proceed with at least one claim on the merits. *Azurity Pharmaceuticals, Inc. v Edge Pharma LLC*, 2022 WL 3335823 (1st Cir. August 12, 2022). [https://scholar.google.com/scholar\\_case?case=4178931404862157061&hl=en&assdt=6&as\\_vis=1&oi=scholar](https://scholar.google.com/scholar_case?case=4178931404862157061&hl=en&assdt=6&as_vis=1&oi=scholar) This decision provides guidance on bringing Lanham Act claims that intersect with the FDCA and illustrates the hurdles facing pharma companies bringing such claims.

The plaintiff, Azurity, had obtained FDA

pre-market approval to market vancomycin hydrochloride solution (used to treat bacteriological infections) under the brand FIRVANQ. Azurity sued Edge, a drug compounder, under the Lanham Act and a Massachusetts consumer protection statute for allegedly making false and misleading statements about a competing vancomycin formulation that Edge marketed and described on its website. As a drug compounder, Edge could avoid the FDA pre-approval process under certain limited circumstances, and some of its statements in this regard were the source of the allegations. The lower court dismissed all of Azurity's Lanham Act claims as precluded by the FDCA on the ground that adjudicating those claims 'necessitates resolution of 'thorny questions' that may require the

FDA's expertise,' relying upon the Supreme Court precedent in *POM Wonderful LLC v Coca-Cola Co.*, 573 U.S. 102 (2014). The court also dismissed the state-based claims because they were premised on the same allegations as the Lanham Act claims.

The Court of Appeals determined that 'in so far as the *POM Wonderful* decision could be read to imply' that FDCA preclusion could be warranted under some circumstances, those circumstances did not apply to the Lanham Act claims at issue here. In reaching this decision, the Court of Appeals considered the following factors:

- (1) consistent with the *POM Wonderful* situation, finding that the statements were actionable would not call 'into question the lawfulness of a statement the FDA has deemed proper;

*continued on page 3*

# Decision leaves applicant hempy-handed

Chris McLeod and Laura Nend, Elkington + Fife

The UK Intellectual Property Office (UKIPO) has issued a decision in relation to an opposition to an application for the word mark SUN STATE HEMP.

In August 2019, Nadeem Akhtar (the applicant), applied to register the mark in classes 3, 5, 29, 30, 34 and 35. On publication, ELH Products LLC, trading as SUN STATE HEMP (the opponent) opposed the application on the basis of passing off and bad faith. The parties had a commercial relationship in which the opponent manufactured goods, such as CBD products, in the US, which the applicant and the applicant's brother imported into and sold in the UK.

In support of the passing off ground, the opponent claimed to have generated goodwill in the unregistered mark for SUN STATE HEMP and used the mark throughout the UK since December 2018 in relation to all of the goods and services covered by the application.

Both parties filed evidence in chief and the opponent filed evidence in reply. The Hearing Officer (HO) held that the opponent had failed to show that its SUN STATE HEMP mark had goodwill at the relevant date, namely 5 August 2019. The opponent's evidence contained sales figures for the goods sold to the applicant under the mark, but did not confirm the proportion of goods which were then re-sold by the applicant in the UK prior to the relevant date. For this reason, the HO held that the opponent had failed to show

that the mark had sufficient goodwill and therefore considered the issue of ownership of the goodwill redundant. However, in case the HO had erred on this matter, she then addressed the ownership issue.

Further evidence submitted by the opponent included information regarding the packaging, marketing materials and extracts of the applicant's website. However, these did not refer to the opponent. The opponent argued that the packaging and website clearly stated 'Made in the USA', showing that an American business was responsible for the products. The applicant argued that this wording did not mean that consumers would understand that the brand was a US brand. The HO found that the name of the applicant's company was the only company mentioned on the goods, the applicant was not representing the opponent's business, and therefore that the average consumer could not have known of or assumed the existence of the opponent. The HO concluded that any goodwill, which did exist at the relevant period in the UK, had accrued to the applicant.

The opposition based on passing off therefore failed.

In support of the bad faith ground, the opponent claimed, inter alia, that the applicant was associated with the opponent as its UK distributor and was therefore aware of the opponent's rights and activities when it filed the application.

The HO was not convinced that if goodwill in the mark belonged to the applicant, it would mean that the applicant had acted in good faith. The HO highlighted that goodwill and bad faith are assessed differently. The parties had a brand owner/distributor relationship, which was supported by the wording used on the labels for the SUN STATE HEMP goods, i.e., the words 'DISTRIBUTED BY' followed by the name of the applicant's company.

Overall, the HO found that the applicant had acted in a manner which fell short of the accepted standards of ethical behaviour or honest commercial and business practices. The applicant's possible goodwill in the mark was immaterial because the applicant was acting as a distributor and therefore had a fiduciary duty to the opponent to act in good faith.

The opposition based on bad faith was therefore successful. The HO refused the application in its entirety and awarded the opponent GBP £2,200 in costs, subject to an appeal.

## Comment

This case highlights the importance of overseas suppliers ensuring that they broaden their trade mark protection rights in the UK i.e., by making themselves and their trade mark(s) known to average consumers in the relevant territory, which may assist them in UKIPO trade mark disputes because they may be able to rely on passing off.

## MembersNews

There have been several moves since our last edition;

### Moves and Mergers

**Brian Gissane** has left Brandstock to join Spruson and Ferguson in Sydney, Australia. Brian can now be contacted at [brian.gissane@spruson.com](mailto:brian.gissane@spruson.com)

**Christian Krageland** is now with Bugge Valentin in Copenhagen, Denmark and can be contacted at [ck@buggevalentin.com](mailto:ck@buggevalentin.com)

**Boriana Guimberteau** has left FTPA to join Stephenson Harwood in Paris, France. Boriana can be contacted at [boriana.guimberteau@shlegal.com](mailto:boriana.guimberteau@shlegal.com)

**Denys M.I. Bertels** is now with Chiever B.V. in Amsterdam, Netherlands and can be contacted at [bertels@chiever.com](mailto:bertels@chiever.com)

**Terry McAllister** has left Ohlandt, Greeley, Ruggiero & Perle to form a new

firm; Ruggiero, McAllister & McMahon LLC in Stamford, Connecticut, USA. Terry can now be contacted at [Terry@ruggierolp.com](mailto:Terry@ruggierolp.com)

**Sheldon Pontaoe** has left Elanco US Inc. to join Smith Anderson Blount Dorsett Mitchell & Jernigan, LLP. Sheldon can now be contacted at [spontaoe@smithlaw.com](mailto:spontaoe@smithlaw.com)

**Gerard van Hulst** has retired from Novagraaf but is keen to stay in touch with the Trade Mark community. Gerard can now be contacted at [gjvhulst@planet.nl](mailto:gjvhulst@planet.nl)

**Shafic Eid** is now with CWB Group in Dubai, UAE and can be contacted at [shafic.eid@cwblegal.com](mailto:shafic.eid@cwblegal.com)

**Heidi Hurdle** has left Fieldfisher to join Bird & Bird in London, UK. Heidi can now be contacted at [Heidi.hurdle@twobirds.com](mailto:Heidi.hurdle@twobirds.com)

**Leona Walker** has left Forresters to join Stevens Hewlett & Perkins in Bristol,

UK. Leona can be contacted at [lwalker@shandp.com](mailto:lwalker@shandp.com)

**Jade MacIntyre** has left Allen & Overy and is now with Deloitte LLP in London, UK. Jade can be contacted at [jomacintyre@deloitte.co.uk](mailto:jomacintyre@deloitte.co.uk)

**Jeremiah Thompson** has left Clarivate to join Corsearch in New York, USA. Jeremiah can be contacted at [Jeremiah.thompson@corsearch.com](mailto:Jeremiah.thompson@corsearch.com)

**Claudia Kaya** has left Destek Patent SA to join Dormann IP in Baar, Switzerland. Claudia can now be contacted at [Claudia.kaya@dormann-ip.com](mailto:Claudia.kaya@dormann-ip.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](http://www.ptmg.org) or directly to [Lesley@ptmg.org](mailto: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

(2) no FDA regulation governed the statements outsourcing facilities like Edge may make in advertising;

(3) this is not a case where a party is trying to improperly enforce the FDCA indirectly (which cannot be done directly because there is no private right of action under the FDCA); and

(4) the adjudication of Azurity's 'bulk drug substance' claim 'does not require a court to make a determination that [i]es] at the heart of the task assigned the agency by Congress' or require 'agency expertise ... to unravel intricate, technical facts.'

Finally, the Court observed that the state-based claims likely should have been considered under the preemption rather than the preclusion doctrine, but nevertheless should have been examined.

The Court of Appeals turned to the merits of the underlying claims which the lower court had not addressed. It followed case law from two other Circuit Courts of Appeals involving false advertising and unfair competition claims that depend upon compliance with specific statutes or regulations. In such cases, in the absence of clear court or regulatory rulings on the meaning of the statements at issue, or a statute or regulation that is clear on its face as to their meaning, the court cannot rely on plaintiff's opinion as to whether such statements comply with the statutes or regulations.

Ultimately, the Court of Appeals upheld the dismissal of almost all of Azurity's false advertising and unfair competition claims despite the low standard for overcoming a motion to dismiss, but not on grounds of preclusion. The dismissed claims included that:

(1) Edge improperly claimed that it had complied with the portion of section 503B of the FDCA that restricts the marketing of compounded drugs that are 'essentially a copy' of approved drugs. The Court rejected this allegation because Azurity had

improperly relied upon non-binding FDA guidance in its pleading, but the Court also noted that there was no allegation as to whether the parties' drugs have the same 'excipients' (inactive substances) which could have a bearing on whether Edge's drug was essentially a copy;

(2) Edge's representations that it is a 'registered' outsourcing facility, while technically true, give health care providers the false impression 'that Edge complies with state and federal law,' including Section 503B of the FDCA. The Court rejected Azurity's claim here as well, and agreed with Edge's position that its statements merely convey 'true and undisputed facts about its status: that it is registered and inspected,' and,

(3) Edge had posted a false, actionable, superiority statement on its website that 'commercially available options are not ideal for use in the hospital setting.' The Court found that this 'not ideal' statement was non-actionable 'puffery.'

The Court did rule that Azurity plausibly alleged a valid claim concerning Edge's statements about Section 503B of the FDCA and its 'bulk drug substance' provision. It emphasized the FDCA clearly prohibited the use of bulk drug substances in compounding when the substances used do not appear on either (a) the FDA's official list of 'bulk drug substances for which there is a clinical need,' or (b) the operative drug shortage list. Azurity's claim noted that the bulk drug substance used by Edge in compounding - vancomycin hydrochloride - 'is not on either list.' Thus, Azurity's claim turned simply on whether or not Edge's drug appeared on the identified lists, and whether Edge's statements about that fact and its compliance were correct - objective facts, not ones subject to interpretation.

The Court's decision shows the importance of pleading verifiable facts, and not mere opinions, to support false advertising and unfair competition

where there is no clear statutory or regulatory authority concerning the statements at issue. This case also underscores the wisdom of pleading all potential claims, as some may be found valid and some invalid. In Azurity's case, after having almost all of its claims dismissed by two courts on various complex grounds, its single remaining claim is moving forward.

**PTMG 100th  
Conference,  
Lisbon  
5 - 8 October 2022**





# International Update

## Aden

### Ashin Chungath, JAH MANAGEMENT

The Ministry of Industry and Trade in the interim capital of Aden has issued an important declaration, which declares that all commercial houses, companies, institutions, businessmen and all commercial activities whose interests are connected with the ministry should visit its office in the Tawahi Province- in front of the tour of Sheikh Ishaq.

Here are the specialized departments that operate and provide their services as follows:

- facilitating procedures for all public and private commercial sectors;
- renewal of commercial records of all legal types;
- issuing ministerial decisions on the granting of incorporation licenses to companies;
- receipt of applications for the deposit of trade marks and all applications related to the Law of Trademarks and Geographical Indications No. (23) for the year 2010;
- registration and accreditation of commercial agencies for individuals or local and foreign companies;
- granting certificates of registration of trade names;
- all service activities and commercial activity.

The ministry calls on all commercial sectors to turn to the Ministry Diwan in the interim capital of Aden, with copies of all the documents in their possession so as to update their database, which would preserve their rights according to the law.

The ministry has set up a specific telephone number for communication channels and warned not to deal with the Office of the Ministry of Sana'a, which is under the control of the coup, pointing out the lack of law and any actions resulting therefrom.

Sana'a and Aden adopt the same law, and there is no institutional or legal division in term of laws and regulations but currently registration should be sought in both jurisdictions for obtaining a full legal protection of trade marks. Aden trade mark protection covers the Southern part

of Yemen which is represented by the following cities: Aden, Lahj, Abyan, Shabwah, Hdhramowt, Mahrah, Half of Mareb city, Half of Taiz city. Accordingly, the best way to have a legal trade mark protection in the whole country is by filing separate trade mark applications in both Aden and Sana'a, and at the same time, renewing old trade marks registered already in Sana'a separately in both jurisdictions when they are due for renewal. For renewal of Sana'a trade mark registrations in Aden, the requirements differ since it is a matter of constituting a file for the trade mark and renewing it as if it exists in Aden. For those trade marks registered in Sana'a prior to February 2018, it may be possible to submit an application to update the trade mark particulars with the Trademark Office in Aden.

Kindly note that there is a limited possibility of trade mark squatting under this jurisdiction for registered international trade marks considering that the registration process includes a trade mark clearance search for each class of goods/services at the Trademark Office which is mandatory and submitted simultaneously with the trade mark application. It takes 1 – 2 working days to obtain an official search report, which will be treated as an official formal, absolute and relative grounds examination of the trade mark and subsequently expediting the procedure. Based thereon the trade mark will proceed towards subsequent stages. In addition to searching the records of national trade marks for closely similar or identical trade marks, the trade mark searching officer refers to WIPO international trade mark database even though Aden is not a member of Madrid Protocol/Agreement. Depending on the official search report, the trade mark can be processed to registration or a negative report can be challenged at the Appeals Committee or General Directorate of Intellectual Property.

Despite the above procedures relating to trade mark registrations, we have come across a considerable number of trade marks being filed by local distributors or marketing agents belonging to their principals but this mostly affects small and medium scale enterprise brands and not the major ones.

## China

### Ms. Haoyu Feng, Chofn IP

In June 2022, the Beijing High People's Court finally upheld the China National IP Administration's (CNIPA) initial rejection and the Beijing IP Court's first-instance judgement that the cited mark NUTREX has posed obstruction to Nestle's mark NUTREN, in class 5. The Court ruled that the applied-for mark is very similar to the cited mark NUTREX, and that the marks, if simultaneously used on the same or similar goods, might confuse or mislead the relevant public. This, despite the second cited mark holder's consent, even though the consent from the holder of first cited mark NUTREND had been accepted by the CNIPA in the initial review procedure in May 2020.

The CNIPA is becoming stricter with the practice of letters of consent to overcome citations, but the subsequent courts are still somewhat liberal. However, in the pharmaceutical area, both the CNIPA and the courts are very careful before accepting such consents, because they are concerned that medicines are more directly related to human health and life. Of course, I personally think that the three marks are very similar in the eyes of Chinese consumers (who are) illiterate of Latin characters. This reflects the Chinese authorities' lower tolerance of co-existing similar marks in classes 5, 10 and 44 than in other classes.

The CNIPA's and court's attitude was also reflected in another case relating to pharmaceutical goods, where the Beijing IP Court upheld the CNIPA's citation. As we can see, the applied-for mark consisting of



a two-fish device and the word U.G.A. was obstructed by a U\*\*GA mark and a two-fish device mark (see above). It seems that the combination fails to lower the similarity.

Continued on next page

# International Update continued

However, the rejection was then overruled by the Beijing High People's Court, also in June 2022, due to the non-use cancellation of the two cited marks. Unlike the above-mentioned case, the applicant of this case overcame the citations through non-use cancellations which succeeded until the second-instance of administrative lawsuit. Since the CNIPA's review procedure is taking around 8 months now, applicants need to be prepared to 'fight' till the lawsuit procedure to get the result of non-use cancellations. As such, it is advisable for pharmaceutical companies to do their homework early and take proper actions to overcome prior marks in China.

## India

### **Samta Mehra and Shrabani Rout, Remfry & Sagar**

Recently, in a judgement passed by the Bombay High Court, the Court reinforced the doctrine of disastrous consequences and held that in cases of medicinal and pharmaceutical products, a higher degree of protection is called for.

The Court was hearing the suit instituted by Franco-Indian Pharmaceuticals Pvt. Ltd. against Vatican Lifesciences Commercial Suit (IP) No. 295 OF 2022. The facts of the case are simple. The Plaintiff is the registered proprietor of marks GLEAM, GLEAM-1 and GLEAM-2 in class 05. The rival trade marks used by the Defendants are V-GLIM M1, V- GLIM M2 & V-GLYME-M80 in the same class.

The Plaintiff claims that they adopted the mark GLEAM in the year 1993 for use in relation to the treatment of diabetes and the same has been continuously and extensively used since then. The Plaintiff also holds a registration for the mark GLEAM dating back to 1993 in respect of medicinal and pharmaceutical preparations.

In January 2022, the Plaintiff came across the marks V-GLIM M1, V- GLIM M2 of the defendants on India Mart, an online B2B marketplace. Upon conducting an investigation, it was unearthed that the Defendants were using the mark V-GLIM M1, V- GLIM M2 & V-GLYME-M80 in respect of the treatment of diabetes. Hence, the plaintiff filed the present suit for infringement. It was their contention that the mark used by the defendant was visually, phonetically and structurally similar. Further, since the rival marks were being used in relation to similar

goods, any confusion between the two, especially in the sensitive field of medicine, would lead to disastrous consequences.

The Court evaluated the evidence in hand and ruled in favour of the Plaintiffs. The Court held that in cases of medicinal and pharmaceutical products, a higher degree of protection is called for. As the Plaintiff's and Defendant's products bearing the rival marks are used in relation to diabetics, confusion between the two will be catastrophic especially as the ingredients in the two are different.

Accordingly, the Court restrained the Defendants from, inter alia, using, manufacturing, marketing, distributing, stocking, selling and promoting in relation to their medicinal and pharmaceutical preparations under the trade marks V-GLIM M1, VGLIM M2 and V-GLYME M80 or any mark identical and/or deceptively similar to the Plaintiff's trade marks.

## India

### **Ankita Sabharwal, CHADHA & CHADHA**

The High Court of Delhi in the case of Sun Pharmaceutical Industries Ltd v Punam Devi has held that factors such as difference in layout, packaging etc. will be of no consequence if the essential features of a trade mark are infringed. The Court granted a permanent injunction restraining the Defendants from using the mark RANBAXY LABORATORIES, which was identical and deceptively similar to the Plaintiff's well-known RANBAXY and RANBAXY LABORATORIES marks.

## Background

The Plaintiff ventured into the business of marketing pharma products in 1972. In 2014, via a Scheme of Arrangement, the Plaintiff acquired all assets along with the intellectual property of Ranbaxy Laboratories Limited.

It was averred that the Plaintiff's predecessors, Ranbaxy Laboratories Limited adopted the trade name RANBAXY in the year 1961 and filed an application for registration in the year 1991, claiming use since 1966. It was further averred that the Plaintiff's predecessor has been extensively and continuously using the mark since then. The marks RANBAXY and RANBAXY

LABORATORIES, along with all other intellectual property assets of Ranbaxy Laboratories Limited were assigned to the Plaintiff in the year 2015.

The Plaintiff came across the Defendant's application for registration of trade mark RANBAXY LABORATORIES in Class 35 in August of 2019 filed on a 'proposed to be used' basis. Thereafter, the Plaintiff came across another application of the Defendant for the same mark in class 5 that was also filed on a 'proposed to be used' basis.

The Plaintiff argued that the Defendant's mark RANBAXY LABORATORIES is a blatant imitation of Plaintiff's well-known trade mark RANBAXY and a consumer with average intelligence and imperfect recollection is bound to be confused and deceived. The Plaintiff further contended that the sole intent of the Defendant was to take unfair advantage of the reputation of Plaintiff's registered trade mark RANBAXY, by misrepresenting to the public that the goods and services offered by the Defendant under the impugned mark have some association with the Plaintiff.

The Defendant did not enter an appearance and the Court proceeded ex parte.

## Decision

Upon a comprehensive scrutiny, the Court observed that the marks of the competing parties were visually, phonetically, structurally, and conceptually identical and the goods, being pharmaceutical products in class 5, were also identical. While upholding the Plaintiff's case, the Court further observed that 'in an action for infringement once the Plaintiff is able to show that all or the essential features of the registered trade mark have been adopted by the Defendant, the fact that the layout, packaging etc. are different is of no consequence, while this can be set up as a defence in an action for passing off'. Accordingly, the Court decreed the suit in favour of the plaintiff and passed a permanent injunction against the RANBAXY LABORATORIES in any manner. Moreover, costs up to INR 600,000/- (approx. USD \$7,498.50) were awarded in favour of the Plaintiff.

Continued on next page

# International Update continued

## Kazakhstan

### PETOSEVIC

On 20 June 2022, Kazakhstan adopted a set of amendments to several intellectual property laws introducing significant changes in the IP field, including the introduction of GI protection. The amendments entered into force on 21 August 2022.

### Trade Marks

The time limit for the formal examination of a trade mark application has been extended from 10 working days to one month from the application filing date. Substantive examination term remains seven months from the application filing date.

The time limit for the IPO to record changes to registered trade marks has been reduced from one month to 10 working days. The deadline within which the IPO has to notify trade mark holders of recorded changes has also been substantially reduced, from two months to five working days.

Currently, trade marks that are not capable of distinguishing the goods or services of one person from that of another are refused protection on absolute grounds. The only way to avoid refusal is to impose a disclaimer on a non-distinctive element if it does not occupy the dominant position in the mark. Under the amendments, such elements will not represent an obstacle to the registration if distinctiveness through use was acquired prior to the application's filing date.

The amendments have introduced an opposition procedure for trade marks as well as for AOs and GIs. Along with pending trade mark applications, information on pending GI and AO applications will also be published weekly on the IPO's website. Any interested person can file an objection on absolute or relative grounds against pending applications with the IPO within one month from the application publication date. The IPO will then notify the applicant of the received objection(s) within five working days. The applicant can then respond in writing within three months from the notification date. The IPO will then issue a decision after considering both the objection(s) and the applicant's response. This decision must be made

before substantive examination is completed, which is within seven months from the application filing date. It is not possible to extend any time limits in opposition proceedings.

### Industrial Designs

With respect to industrial designs, the initial term of validity has been reduced from 15 years to 10 years. However, the protection term can be extended for additional five-year periods up to three times, for a total maximum term of 25 years from the application filing date. Currently, the initial 15-year validity period can only be extended once for five years.

An unregistered industrial design that meets the novelty and originality requirements may be protected for three years from the date it was first made available to the public in Kazakhstan. An unregistered industrial design that has been disclosed to a third party under explicit or implicit conditions of confidentiality will not be deemed to have been made public. Unregistered industrial design rights can be enforced in courts.

## Kosovo

### PETOSEVIC

Kosovo's new Law on Trade Marks, which entered into force on 28 July 2022, aims to harmonize local legislation with Directive (EU) 2015/2436 to approximate the laws of the Member States relating to trade marks. The law also provides a basis for the implementation of Directive 2004/48/EC on the enforcement of intellectual property rights. The new law introduced numerous changes, the most significant of which are outlined below.

### Elimination of Graphical Representation Requirement

Graphical representation is no longer required when filing a trade mark application, meaning that a sign can be represented in any form that distinguishes the goods or services applied for from those of other undertakings and that enables the authorities to clearly establish the scope of protection that is sought.

### Literal Interpretation of Class Headings

When filing a trade mark application, it is now required to precisely define the list of

goods and services for which protection is sought in such a way that enables the competent authorities to determine the extent of the protection sought on that sole basis.

### Additional Absolute and Relative Grounds for Refusal

The law introduced additional absolute grounds for refusal – a sign cannot be registered if there is a conflict with an existing designation of origin, geographical indication, traditional term for wine, traditional speciality guaranteed or plant variety. In terms of relative grounds for refusal, a bad faith trade mark application can now be opposed.

### Exhaustion of Rights

Under the new law, trade mark owners cannot prohibit the importation of genuine goods bearing their trade marks after they have placed them on any of the following markets:

- Kosovo;
- A member state of the European Union;
- A member state of the European Economic Area;
- A state of the Western Balkans region;
- A state with which Kosovo has a free trade or trade facilitation agreement.

The previous version of the law provided for the national exhaustion of rights. It remains to be seen how the new exhaustion regime will be interpreted by courts, in particular with regard to cases initiated under the previous law.

### Trademark Infringement Scope Expanded

The law expands the scope of trade mark infringement by establishing additional uses of similar or identical signs that may be prohibited by trade mark owners, namely:

- Use of a sign as a company name;
- Use of a sign in advertising; and
- Use of a sign on packaging, labels, tags and security or authenticity features or devices, and placing these on the market.

Continued on next page



# International Update

## Introduction of Disclaimers

If a trade mark includes an element that might not be considered distinctive, the IPO may require the applicant to impose a disclaimer on the non-distinctive element in order to register such trade mark.

## The Non-Use Defence

In court proceedings, the defendant may now request that the plaintiff show the use of the trade mark claimed to have been infringed. The plaintiff should prove that, during the five-year period prior to the date of filing of the infringement claim, the trade mark was placed on the market in respect of the goods or services for which it was registered. In the absence of such evidence, the claim will be refused. The same defence applies to preliminary injunctions.

## Appeals with the Market Inspectorate

It is now possible to enforce trade marks in an administrative procedure by filing an appeal with the Market Inspectorate against an infringer. The appeal procedure will be further elaborated in bylaws, which will be adopted by 28 July 2023.

## Other Changes

Other changes relating to trade mark enforcement include the following:

- The time frame to file an appeal against the IPO decision changed from 15 days to 30 days from the date of receipt of the decision;
- In order to prevent the continuation of infringement, the court may order the infringer to pay the trade mark holder EUR €5,000-10,000 for a single instance of infringement;
- Under certain circumstances, the court may replace an order for the seizure and destruction of infringing goods with monetary compensation for the injured party;
- The criteria for the assessment of damages have been specified – when determining the amount of damages, the court will take into account all relevant aspects such as adverse economic consequences, including lost profits incurred by the injured party,

any unjust profit made by the infringer and, where appropriate, other elements such as economic factors and the moral prejudice suffered by the right holder;

- In line with the EU Enforcement Directive, the new law provides that injunctions in infringement cases should be fair, equitable, proportionate and affordable; and
- The new law also includes provisions clarifying the time frames for initiating proceedings with the court. Infringement claims, claims relating to the seizure and destruction of goods and claims for damages may be filed within three years from the date the right holder became aware of the infringement and the infringer, and no later than five years from the date the infringement occurred.

## United Kingdom

### Suzanne Power – AA Thornton IP LLP

If you are unhappy with a first instance decision from the UK Intellectual Property Office (UK IPO), the odds of successfully appealing that decision before the UK IPO's appellate authority are not normally stacked in your favour.

First instance decisions of the UK IPO are normally of a high quality, and the standard for appeals is high too, leaving the appeal odds at times hovering at around 15% or lower. Unless it can be established that there has been an error of law or the Hearing Officer has reached an unreasonable conclusion on the facts and evidence, there is no real prospect of success on appeal.

However, in this recent appeal decision, the UK IPO's appellate authority (the Appointed Person) considered that a fresh look at the facts of the case was merited.

### Background

The Applicant, Purity Wellness Group Ltd, had sought to register the shown composite word and device mark for goods including essential oils in class 3, dietary supplements based on hemp or CBD oil in class 5, and corresponding retail services in class 35.



The Opponent, The Stockroom (Kent) Ltd, is the owner of an earlier UK registration for the mark PURITY GEL, in respect of nail products and other beauty preparations in class 3.

The Opponent filed opposition citing that the marks were similar and the goods and services were similar, such that there existed a likelihood of confusion on the part of the public.

### The first instance decision

The UK IPO's Hearing Officer agreed with the Opponent that the goods and services were similar, and so turned to the comparison of the marks. In considering the two marks, the Hearing Officer found that the most distinctive element of the Opponent's mark was the word PURITY, with the word GEL being descriptive of the Opponent's goods. With respect to the Applicant's mark, the word PURITY again was found to make an important contribution to the mark's overall impression and distinctiveness, along with the device.

Acknowledging the differences between the marks, the Hearing Officer found that there was no likelihood of direct confusion (the marks being mistaken for one another) but considered that there was a risk of indirect confusion (the marks being considered related to one another) on the basis of the marks sharing the word PURITY, and the goods and services being similar. The Hearing Officer acknowledged in passing that PURITY was of low distinctive character, but confirmed that the finding of likelihood of confusion still stood. The opposition therefore succeeded in its entirety.

Continued on next page

# International Update continued

## The appeal

The Applicant appealed the decision on several grounds, in particular that:

1. The Hearing Officer should only have found the marks to have low visual and aural similarity;
2. The Hearing Officer should have found the Applicant's class 3 goods to be dissimilar to the Opponent's goods in class 5; and,
3. The Hearing Officer had failed to take into account the implications of the low distinctive character of the common element of the marks, the word PURITY.

The Appointed Person rejected the first two grounds, stating that the supporting arguments were 'mere disagreements with the Hearing Officer's conclusions', which is 'not a basis for Appellate intervention'.

There was nothing 'plainly wrong' about the Hearing Officer's approach or conclusions.

However, as to the final ground, the Appointed Person agreed with the Applicant, finding that the Hearing Officer had made an omission in not directly addressing the low distinctive character of the word PURITY and that this omission had led to an incorrect finding that there was a likelihood of confusion. The overall differences between the marks outweighed the similarity, with the similarity between entirely due to weak components of the marks.

The Appointed Person therefore overturned the decision, and rejected the opposition in its entirety.

## Conclusion

This case confirms the correct approach to the assessment of likelihood of confusion between marks where the shared element is of weak distinctive character, and exemplifies that if there is a clear error or omission in the first instance decision, then an appeal is worth considering.

## Uzbekistan

### PETOSEVIC

On 26 April 2022, Uzbekistan adopted the Resolution No. 221 introducing numerous changes and improvements in the field of

intellectual property, to be implemented between 2022 and 2026.

One of the most important novelties is that from 1 September 2022 right holders will be able to file and track Customs Watch Applications online through an information system called One Window. The customs authorities will also use this system to notify right holders when infringing goods are discovered. Upon receiving the notification, right holders will have one day to request the necessary customs actions. If no request is filed, the authorities will take no action. Another important novelty is that right holders will no longer be required to provide information on potential infringers, such as importer names, possible transportation methods and locations of infringing products.

The recently adopted Uzbekistan's Law on Geographical Indications contains no provisions on penalties for the breach of the law, so the Resolution aims to introduce these provisions in the Administrative Code by August 2023. The penalty amounts have not been defined yet.

Provisions on compensation for IP infringement in the amount from EUR €470 (USD \$500) to EUR €23,500 (USD \$25,000) will be introduced into the Law on Trademarks, Service Marks and Appellations of Origin; the Law on Inventions, Utility Models and Industrial Designs; the Law on Company Names; and the Law on Selection Patents, also by August 2023.

The Agency for Technical Regulation and the Agency for Pharmaceutical Industry Development will have to ensure compliance with IP laws when issuing product certificates and when registering pharmacies, medicines, and medical equipment. By 1 June 2022, the Ministry of Justice had to have launched a portal which the Agencies will use for compliance checks starting from 1 August 2022.

The Ministry of Justice, which has authority over the Uzbek IPO, had until 1 June 2022, to develop the so-called IP Protection Portal for intergovernmental cooperation in dealing with IP infringement.

This portal will be used by:

- The Department for Combating Economic Crimes for transferring data on producers of counterfeit goods to the Ministry of Justice within 10 working days following the Ministry's inquiry;
- The Ministry of Internal Affairs and the Ministry for Development of Information Technologies and Communications for transferring data on online IP infringers to the Ministry of Justice within 10 working days following the Ministry's inquiry; and
- Customs and the Antimonopoly Committee for reporting their decisions and actions in IP-related cases to the Ministry of Justice.

From 1 November 2022, the portal will also be used for transferring data on preliminary injunctions issued to sellers, producers and distributors of counterfeit goods.

Under the Resolution, the Supreme Court has to develop thorough guidelines for reviewing IP cases which will need to be adopted by all courts handling IP matters. October 2023 is the deadline for the Supreme Court to complete its analysis of international IP court practice as part of its guideline preparation process. The guidelines are expected to harmonize the local court practice and make the rulings more consistent.

Despite its positive aspects, Resolution No. 221 does not provide for the introduction of criminal liability for IP infringement, or for the incorporation of the seizure and destruction of IP-infringing goods into the administrative procedure. Therefore, it is anticipated that right holders will not be able to seek criminal liability until at least 2026 and that they will have to resort to the more lengthy civil procedure in order to enforce IP rights.



# PROFILE: Rainer Kaase, LL.M. (cantab)

Rainer studied law in Marburg, Geneva, Strasbourg (Diplôme de Droit Comparé) and Amsterdam (US Law, Summer Course), and obtained his LL.M. in Cambridge/England (Queens' College). He joined Harmsen Utescher in 1989 and became a partner in 1993. He is a member of ECTA, PTMG, GRUR (member of the Drug and Food Law Committee), BAH (German Pharmaceutical Manufacturers), PLCD Germany as well as the German Food Law and Food Science Association (member of the law committee).

His practice covers contentious and non-contentious trade mark issues, as well as design, patent, unfair competition, pharmaceutical plus food law and contractual issues. His clients include global players as well as medium-sized and small companies in various industries.

Rainer frequently speaks and publishes on TM issues.



## Where were you brought up and educated?

I was born and raised in Hannover. After graduating from high school when I was 18, I moved to Marburg to study law.

## How did you become involved in trade marks?

I didn't know what a trade mark was until I spent my last training station before the final legal state exam in the legal team of Unilever Germany in Hamburg. At that time, Unilever Germany was responsible for all German brands of the Unilever Group. It was only there that I learned about the economic and legal significance of brands.

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

For a long time, I wanted to become a civil law judge.

## Which three words would you use to describe yourself?

Impatient, curious and open-minded.

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

French and German.

## What do you do at weekends?

In the early morning, I like to jog along the Elbe River and then start the day with a coffee on the city beach and then spend time with my family and friends.

## Complete the sentence: "If I have time to myself ..."

.... I love reading.

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

Being patient.

## What's the best thing about your job?

Working with colleagues and friends from all over the world which proves every day that the national/European perspective is just one of many ways to look at the world.

## What did you want to be as a child?

A teacher.

## What does all your money get spent on?

Vacations.

## What is your biggest regret?

That in over twenty years, I have missed one PTMG conference (October 2020) because the email invitation ended up in the junk mail folder.

## What is your favourite work of art?

The sculptures of Stephan Balkenhol, in particular the 'Man on the River Elbe'.

## What do you wish more people would take notice of?

That we all live on the same planet. .

## What is the most surprising thing that ever happened to you?

That I became a trade mark lawyer.

## What is your philosophy in a nutshell?

Always look on the bright side of life!

## What car(s) do you drive?

A 20 year old Volvo.

## What is your weakness?

Can't stop eating chocolate once I've started.

## Which book or books are you currently reading?

These Truths by Jill Lepore.

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

Stop by and say hello so I can show you the best parts and my favourites of Hamburg.

## What is your favourite building / piece of architecture and why?

The opera house in Oslo and the new concert hall in Hamburg (Elbphilharmonie). The former because it opens up to the city life, the fjord and the people who walk on its roof. The latter because it perfectly connects the port and the city.

## What's your favourite mode of transport and why?

I like to ride my bike almost everywhere, enjoying the fresh air and exercise.