Law Lore & Practice

PTMG Pharmaceutical Trade Marks Group

Dec 2022

Editorial: Vocatio ad pacem

According to the Council on Foreign Relations' Global Conflict Tracker, there are currently twenty seven ongoing conflicts worldwide. The Oxford English Dictionary defines war as 'a state of armed conflict between different countries or different groups within a country', 'a state of competition or hostility between different people or groups' or 'a sustained campaign against an undesirable situation or activity'.

It is impossible today to not be aware of the human tragedies of warfare. Instant media reporting on a 24/7 basis brings stories of displacement, death and hardship into our homes or onto our 'phones. At this time of the year, requests for financial support to NGOs operating in war zones flood through our mailboxes and only the hardhearted can resist them all. Whilst geopolitical reasons can explain the causes of conflict, such situations still remain unacceptable to most of us.

Many citizens around the world feel disconnected from global organisations such as the United Nations, wondering what exactly they can achieve. And yet, we need to be mindful that many treaties have been signed over the years, for example the 1997 Ottowa Convention, also known as the Anti-Personnel Mine Ban Treaty, which underscore what humans can achieve together with common sense and goodwill.

Europe has been reminded of the fragility of peace since 24 February this year and as we look forward to 2023, we can all surely wish for a return to a peaceful state of affairs on the Eastern part of the continent as well as in every other part of the world. In times when it is sometimes hard to stay positive, our 100th conference in Lisbon served as a beacon of light to all that is joyful when humans come together in harmony, with a common aim.

Vanessa

US Update

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

The Trademark Trial and Appeal Board recently considered whether a mark is merely descriptive in connection with an application for scientific instruments and software relating to their function. In Re Bruker Daltonik GmbH, 2022 WL 17370203 (TTAB Nov. 4, 2022)(non-precedential decision). In doing so, the Board's decision identified some pitfalls that companies should avoid in the application process. https://ttabvue.uspto.gov/ttabvue/v?pno=79283583&pty=EXA&eno=15

The Applicant sought to register the mark 4D-PROTEOMICS in class 9 for analytical instruments, in particular chromatographs, spectrometers and spectroscopes, and computer software for acquiring, processing, evaluating and displaying data from these instruments. The application was a Section 66(a) national extension of an International Registration of the mark. The Examining Attorney rejected registration on the ground that the mark was merely descriptive of the goods, and the Applicant appealed to the Board.

There was no dispute in the case that 'proteomics' was 'the study of the structure, function, and interactions of the proteins produced by the genes of a particular cell, tissue, or organism.' The precise meaning of the other component of the mark, '4D,' created a point of contention in the case.

The Applicant asserted it had used 4D-PROTEOMICS as a trade mark in its press releases and promotional materials. The Board, however, found that Applicant actually used the term in these press releases in 'a descriptive manner in connection with Applicant's goods.' The Board highlighted two examples: 'Bruker announces further progress in ultra-high sensitivity, high-throughput 4D proteomics using the tims TOF Pro mass spectrometer,' and 'The tims TOF Pro provides the capabilities to make 4D proteomics 'translational reality.' Under the law, this type of use in one's own materials constitutes 'strong evidence' that the mark is merely descriptive. In addition, the Board found that some third parties used the mark descriptively to describe Applicant's goods.

The Board conceded that the Examining Attorney originally had a misconception of the meaning of '4D' in the context of the mark in question, believing it meant 'spacetime or the addition of a time dimension to a three-dimensional image.' The Applicant asserted that this misconception demonstrated that the mark in question did not have just one meaning and that others were possible. The Board rejected this argument, finding no incongruity with the goods, or a double entendre, which would make the mark suggestive rather than merely descriptive. The Board found that prospective

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Words from the Chair

Dear All,

First, I would like to thank you for your wonderful participation during our conference in Lisbon. Many of you have reached out to us to praise the academic, social program and the venue. The musical closure during Friday lifted spirits and allowed us to discover some hidden talents! During the difficult times we are facing, the conference gave me hope. Hope that people from all nationalities and backgrounds can come together unified by the same passion and a strong sense of community.

For some the pandemic appears like a distant past, whereas in other countries they are still in the midst of it. The economic crisis, devastating war, social unrest around the globe and the approaching winter in Europe creates a lot of concern, not only for those in need but overall for many businesses and governments. I am reminded almost every day of the extraordinary luck we have, IP professionals and their services seem to be quite resilient and still in demand even in times of crisis. I'm sure that you will agree that this puts us in the privileged position to be able to move forward to our associates, families and communities – in particular as we are getting to the end of the year, a time of reflection and new beginnings. I hope that Lisbon will be a moment of inspiration, as to how to combine hard work, dialogue and fun.

I wish you all peace and health for 2023. May we be blessed with many more opportunities to come together as the PTMG community.

Myrtha Hurtado Rivas

US Update Continued

consumers of Applicant's goods would 'immediately understand' 4D-PROTEOMICS as descriptive of a feature or characteristic of Applicant's goods - 'four dimensions of analyzing proteins and proteomes'- even if the Examining Attorney herself did not understand it that way initially. The Board emphasized that context was key and in this context the meaning would be clear to the average customer who would buy these goods.

In affirming the finding that the mark was merely descriptive, the Board placed considerable emphasis on the understanding of individuals within the industry, assuming that they would all' understand the meaning of '4D' in the context of the mark under the circumstances. The Applicant could have submitted evidence as to the role, if any, of people who might have been involved in the purchase of its products, but who may not have had a scientific background. For example, purchasing agents at companies or universities might not have thought that 4D within the context of the mark meant 'four dimensions of analyzing proteins and proteomes.' They may have interpreted the use of '4D' as the Examining Attorney had initially. It is not clear if the Applicant made such a showing as to the understanding of this wider group of potential purchasers. Moreover, the descriptive use of the mark in its own marketing materials likely was the death knell that led the Board to not provide the Applicant with much of an opportunity to make a broader showing.

Here, the Applicant coined the term it sought to register as a mark, but it did not assert control over how it was used. This was a lost opportunity. Examining Attorneys typically will try to find online materials to support their positions, which makes examining such descriptive marks particularly important. Finally, it is also a good practice to make as broad a showing as possible when describing the potential customers for goods in attempting to overcome an objection to a mark on merely descriptive grounds.

Members News

New Members

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

Igor Alfiorov from Petosevic, Kiev, Ukraine igor.alfiorov@petosevic.com

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Jacinthe Tay jacinthe.tay@patents.pt and **Silvia Araújo Vieira** silvia.vieira@patents.pt both from Patentree, Porto, Portugal

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Marta Alves Vieira mav@vda.pt and **Ana Falcão Afonso** afa@vda.pt both from VdA – Vieira de Almeida & Associados, Lisbon, Portugal

Henry Schlaefli from Boult Wade Tennant LLP, London, UK

Members News Continued

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Moves and Mergers

Sophie Bodet and **Thomas Hannah** have left GSK and are now with the newly formed consumer healthcare company, Haleon. They can be contacted at Sophie.x.bodet@haleon.com and Thomas.f.hannah@haleon.com respectively

Brian Darville is now with Oblon McClelland Maier & Neustadt LLP, Alexandria, Virginia, USA and can be contacted at bdarville@oblon.com

Lucy Pope has left HGF Limited to join AA Thornton, London, UK. Lucy can be contacted at lap@aathornton.com

Shigehito Shimizu has left Eisai Co. Ltd. to join Wenping & Co., Tokyo, Japan. Shigehito can be contacted at shimizu@wenping.co.ip

James Thomas is now with Organon & Co., Jersey City, New Jersey, USA and can be contacted at james.thomas2@organon.com

John Ward has left Bausch Health and is now with Moderna, Cambridge, Massachusetts, USA. John can be contacted at john.ward@modernatx.com

Thomas Tresper is leaving Wegnerpartner in Berlin to establish his own firm; Tresper IP, in Frankfurt, Germany. From 1st January 2023 Thomas can be contacted at ttresper@tresper.de

Silvia Bertolero is now with Ardan following the merger of Lambert & Associés with Delucenay & Staeffen. Silvia can now be contacted at s.bertolero@ardan.law

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

Exhausting exhaustion: five CJEU judgments on a single day !

Verena von Bomhard, BomhardIP, Spain

On 17 November 2022, the Court of Justice of the European Union (CJEU) issued no less than five judgments in proceedings or preliminary rulings on the topic of exhaustion of trade marks in the EU, four of which were pharma cases. Three concerned parallel trade with pharmaceutical products and more specifically repackaging versus relabelling (Cases C-147/20 – Novartis v Abacus, C-204/20 – Bayer v kohlpharma – these two put to the CJEU by the Regional Court Hamburg – and Case 224/20 – Merck Sharp & Dohme et al. v Abacus et al. – referred by the Maritime and Commercial Court, Denmark). Also the fourth one – Joined Cases C-253/20 and C-254/20 – Impexeco v Novartis and PI Pharma v Novartis – was a pharma case. This one concerned an unusual claim brought by parallel importers in an attempt to be allowed to import generic products and apply the trade mark of the original pharmaceutical to these in the import market.

The judgements issued by the CJEU were very welcome by the pharmaceutical industries.

In the first three above-mentioned cases concerning repackaging versus relabelling, the Court provided much needed guidance on the freedom of parallel traders to repackage and the extent to which this was affected by the EU medicinal safety regulations. These, i.e., the Falsified Medicines Directive (2011/62/EU), in force since 2013, and Delegated Regulation 2016/161, which entered into force in February 2019, oblige manufacturers of pharmaceuticals to provide the packaging of these products with unique identifiers (namely, barcodes) and anti-tampering devices, all in an attempt to lower the risk to public health arising from falsification of pharmaceutical products.

For starters, the Court clarified – in line with what General Advocate Szpunar had suggested in his insightful opinion of 13 January 2022 (a textbook on the development of EU case law on parallel trade and exhaustion, reading of which is warmly recommended) – that parallel traders could only repackage (as opposed to relabelling) where this was indeed necessary. Contrary to the opinion of the Commission (which was of course not altogether isolated), under EU trade mark law, the parallel trader is not free to choose between repackaging and relabelling but as a matter of principle must choose the method that, by its nature, is a lesser invasion of the proprietary rights of the trade mark owner, namely, relabelling.

This principle is not affected by the aforementioned safety measures, contrary to what the parallel traders argued. They argued that, in order to put the product in a condition which allows its sale in the import market, the outer packaging (i.e., the box) invariably needed to be opened, if only for placing the necessary patient information leaflet in the local language inside the box. This would result in visible traces on pack with respect to the anti-tampering device as well as the need to apply a new barcode. The safety provisions therefore made it necessary, as a rule, to repackage. This opinion has been reflected in the Danish law, which is why the Danish government supported this opinion of the parallel traders.

The CJEU, however, saw that differently. It confirmed that the efficacy of the necessary safety features did not require repackaging but could be safeguarded also through relabelling. The trade mark owner could therefore oppose the repackaging where it was objectively possible to relabel. This possibility, in turn, depends on whether the relabelling can be done in such a way that the safety features are restored or re-applied, without this resulting in a packaging that would meet such strong resistance from a significant part of the consumers in the import market that this would effectively amount to a market barrier (in other words: unless the pack would be too messy to be sold).

Whether this is the case must be assessed on a case-by-case basis. However, as the CJEU (re) established relabelling as the rule and repackaging as an exception permitted only under certain conditions, on which parallel traders would have to rely, it is clear that the burden of proof for these conditions is on the parallel traders. It is therefore incumbent upon them to prove that they cannot relabel but must repackage in order to gain effective access to the market.

These general principles laid down in Bayer v kohlpharma (C 204/20) were carved out further in the other two cases. In Merck Sharp & Dohme et al. v Abacus et al. (C-224/20), the Court ruled that it did not matter, in principle, that relabelling of the products left visible or tangible traces of the opening of the original packaging, provided that it was clear that this was owing to the replacement of the safety features and would not lead to a market barrier. It also clearly stated that national law making repackaging the rule (rather than relabelling) was contrary to EU law. In Novartis v Abacus (C 147/20), the Court added that the barcode serving as a unique identifier of the product could also be stickered onto the outer pack, provided the sticker could not be removed without being destroyed, and would not become illegible in the distribution and marketing of the product.

Finally, the Impexeco and PI Pharma v Novartis cases (C-253/20 and C-254/20 concerned a different question. In the Impexeco case, the parallel traders had advised Novartis that they were planning to import and sell the pharmaceutical product Femara in the import country (Belgium) under the trade mark Femara which was the proprietary name of the original product (the reference product). In fact, however, they bought the generic product traded by Sandoz – a Novartis group company – in the export country (Netherlands) which was sold under a different name. Despite Novartis's objections, the parallel traders imported the generic product, repackaged it and applied the proprietary name Femara of the reference product to the new box. The PI Pharma case was essentially the same except that here, the original name used by Novartis was slightly different in the import country Belgium from the export country Netherlands (Rilatine v Rilatin).

The parallel traders argued that, bearing in mind that the generic products sold in the Netherlands were effectively identical to the original products (as Sandoz belonged to Novartis), Novartis was trying to partition the market by prohibiting the importation and rebranding of the generic product with the trade mark of the original product. However, the CJEU did not go along with that. It clearly stated that the trade mark proprietor could in principle oppose the parallel importation of the generic product and placing on the import market under the trade mark of the reference product (i.e., the proprietary name). This rebranding was only possible where it was clear that the products were identical and the rebranding was objectively necessary, i.e., if the medicinal product concerned could not be marketed in the importing country under the generic name.

All in all, the judgments provide – apart from a significant reading assignment for trade mark practitioners given their combined length – a welcome clarification for both original manufacturers and parallel traders, in particular as regards repackaging versus relabelling and who has to prove the exceptional circumstances under which repackaging is allowed, namely, the parallel importer.

100th PTMG Conference, October 5 – 8th PTMG on the road again – Trade Marks Back To The Future

Aline Deux, Associate IP Counsel and David Degen, IP Counsel, Novartis

This year, PTMG celebrated its 100th in-person conference. The community was not simply coming together for the first time since Covid hit, this was the Golden Jubilee for PTMG, and organizers and attendees alike went all out to create a memorable event. During three days in early October, PTMG showed why they have been around for so many years, and why they will stay for many more.

Lisbon is the second-oldest capital of Europe, with first settlers dating back to around 1200 BCE; slightly more recent, CNN dubbed the city 'the European capital of cool that keeps getting cooler'. As such, it is no surprise that the Board considered this the ideal place for pharmaceutical trade mark enthusiasts to get together.

While Autumn was already in full swing elsewhere, PTMG began on a warm, summery Portuguese evening with a reception in the beautiful EPIC Sana Marques hotel. Members had been eagerly awaiting meeting again in person with old colleagues as well as new acquaintances, and the first evening did not disappoint.

The evening continued at various places throughout Lisbon. At least one, very fun group of people from various industry companies and law firms, enjoyed a spectacular dinner accompanied by fado (Wikipedia characterizes fado as 'a form of music characterized by mournful tunes and lyrics, often about the sea or the life of the poor, and infused with a sentiment of resignation, fate and melancholy';

Myrtha Hurtado Rivas

however, these authors found that at least some performances were actually upbeat). Others explored the vast amounts of rooftop-bars offered in what is nicknamed the City of Seven Hills, even though it actually consists of eight hills. The first evening set the tone as to what would soon be called 'one of the most memorable PTMG Conferences ever'.

On Thursday morning, the official part of the conference was kicked off by Chairwoman Myrtha Hurtado Rivas, who, although having already taken over the reins from Frank Meixner after the 2019 conference, only now had the opportunity to chair the in-person event. There had not been any doubts about this being a great choice, and indeed, the conference retained the glamour and allure of previous editions under her new leadership.

David Taylor

The title of the conference was Trade Marks Back To The Future, and the first session certainly held that promise: David Taylor of Hogan Lovells – also widely known as the guy who does domain names – took us back to talks about the future of the internet at the 2007 PTMG conference; specifically, about how generic top-level domains (gTLDs) could fundamentally transform how brands are used online. David revisited how these predictions compare to what actually occurred during the following 15 years, including how the introduction of gTLDs in 2012 played out (with 1930 applications for up to 1395 new gTLDs), how ICANN works (less glamourous than PTMG), and what opportunities gTLDs hold for brand owners (a lot). In light of the next round of new gTLDs planned in 2024, now is the time for businesses to create an online protection strategy, which incorporates the potential of gTLDs: as a possible safe harbour with more control over registrations and illegitimate activities for the benefit of businesses and customers alike. The audience was reminded of the importance to have a global online protection strategy around its brands and to carefully watch what competitors are doing and applying for, in order not to miss the boat. David gave some great and concrete examples that engaged the whole audience, with a touch of humour and a little exploiting of his children to serve his great presentation. What the audience will remember is that David is a true wine and cheese lover with a particular taste for the best (Champagne and Comté among others).

Another big online challenge for brand owners is social media (for all lawyers: this does not just mean LinkedIn). This topic was chosen for the Founder's Lecture in honour of PTMG founder Derek Rossitter. Kara Bearfield from Reckitt Benckiser explained the huge importance of social media, which had been increasing for a while, but had another boost as the pandemic isolated many people who continued to crave social interaction. While this means that social media holds immense potential, businesses must be aware of which activities hold high legal

Kara Bearfield with Myrtha Hurtado Rivas

risks, such as using intellectual property of third parties or implying endorsements of others. Likewise, own trade marks may also be infringed by third parties on social media. In these cases, the appropriate measure depends on the seriousness of the infringement and its potential to damage the own reputation and can range from quick removals through the tools offered by the social media provider to formal legal action. The audience was reminded of the importance to manage its company's online presence (with accurate trade mark and copyright protections) and with the importance of developing an online brand protection strategy, especially considering the importance all forms of social media has on our day to day lives.

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The conference then turned to another set of challenges, based in political tensions, conflicts and war. Kelly Saliger of CMS spoke about trade mark protection in the context of sanctions and embargos, while Viktoriia Smyrnova of Petosevic took on 'Developments and issues in Eastern Europe in uncertain Times'.

Kelly Saliger

Sanctions play an increasing role in the daily activities of any internationally operating organization. Defined as an economic or military coercive measure adopted usually by several nations in concern for forcing a nation violating international law to desist or yield to adjudication, they affect an array of critical business decisions: from the content of commercial contracts to compliance procedures to reputational concerns over public perception. Kelly not only pointed out the risks of breaches in the area of IP, but recommended that trade sanctions specialists are consulted in cases of uncertainty or doubts. In general, there is a high need for awareness of risks stemming from trade sanctions, which must not be underestimated.

Kelly's presentation triggered a lot of comments and questions on bank transfers and how to best handle the Russian issues we are currently facing.

Russia is one prominent, recent target of sanctions, as the Russian aggression and their war against Ukraine continues to affect our local colleagues. It was therefore inspiring to meet Ukrainian lawyers during the conference and learn about their resilience and determination, as well as noting the exceptional support provided by some members of the trade mark community. But while we are all hoping for the aggression to cease, the history of tensions in the region may not have been familiar to all. Viktoriia provided an impressive recap of events since the dissolution of the USSR and creation of the CIS, including summaries of the conflicts in Transnistria, Nagorno Karabakh, South Ossetia and Abhkazia,

Viktoriia Smyrnova

Ukraine and Crimea, and Kyrgyzstan and Tajikistan. Of interest in particular to the IP community is the creation of the Eurasian Economic Union (EAEU) with its agreement on trade marks and appellations of origin. Viktoriia also offered a comparison between future Eurasian trade marks and those of the EU and WIPO/Madrid, and expanded on what the EAEU means for parallel imports. It imposes a regional exhaustion regime, where intra-community trade is possible, in addition to temporary measures allowing imports from non-EAEU countries to address shortages resulting from trade sanctions.

Zeina Salameh

After a morning of learning about challenges, tensions and conflicts – and a great lunch – the conference turned to another complex region as Zeina Salameh of Saba spoke about the peculiarities of managing a trade mark portfolio in the Arab region. This is a region of particular interest to many pharmaceutical companies, as its volume in 2025 is expected to be more than twice its size from 2018. However, the region also holds challenges – not limited to unusual (and maybe sometimes exorbitant) official fees – requiring a detailed understanding of each country's filing system (with its own classification), requirements and proceedings. There are stark differences in details ranging from opposition proceedings to the admissibility of co-existence agreements and letters of consent, so mistakes can be easily made if businesses are insufficiently prepared.

Finally, linguistic particularities must not be underestimated, for example when it comes to impossible transliterations with letters which do not actually exist in the Arabic alphabet. The Arab region will thus surely remain interesting, and Zeina closed by sharing her general recommendation: 'File appropriately, use correctly, monitor regularly, and enforce immediately!'

Grant Castle

Even more difficult than addressing complex governmental agencies is successfully combating counterfeits and falsified medicines. The rest of the day explored this in detail, including a fascinating comparison of the US Drug Supply Chain Security Act (DSCSA) and the EU Falsified Medicines Directive (FMD) by Michael S. Labson and Grant Castle of Covington. The requirements imposed by these two sets of rules differ: while both mandate product identifiers, the DSCSA also requires companies to employ product tracing systems with transactions documents, whereas this is done in the EU through the government controlled Medicines Verification System EMVS – albeit with a similar system being planned for roll-out

Michael S. Labson

in the US in late 2023. Furthermore, unlike the DSCSA, the FMD also requires products to contain anti-tampering devices, and introduced an electronic seal for websites of legitimate online pharmacies.

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Lori Mayall

What these security systems can mean in practice was demonstrated by Lori Mayall of Gilead in an eye-opening presentation of a recent case of counterfeit medicines. In this case, counterfeit HIV medications were discovered due to fake transaction documents as required by the DSCSA. Decisive actions by Lori and her team at Gilead, and close collaboration with various stakeholders including law enforcement led to widespread seizures and successfully shutting down a ring of counterfeiters who had bought back authentic packaging from patients only to re-fill them with fake pills. Lori's presentation reminded the audience of why their job goes beyond protecting business interests: safeguarding trade marks equally protects consumer interests, and, in the case of pharmaceutical trade marks, the safety of patients. On a day highlighting many seemingly insurmountable challenges, this provided for an inspirational last word.

Later that evening, the community headed to Páteo Alfacinha for a night out. Páteo Alfacinha consists of a re-developed complex including a chapel, barber shop, tavern, bakery, pub, and antiquary – all things made to good use by the PTMG community that evening. The group was greeted with traditional Portuguese specialties, cooled Sangria and an even cooler band, entertaining the crowd for the entire night until some headed back to the hotel and others revisited the rooftops from one night earlier.

The next day also focused on futuristic themes and how companies and governmental agencies are trying to tackle them. First up, Benoit Beuken of UCB addressed the difficulties of naming pharmaceutical products due to a crowded trade mark register and a complex regulatory landscape. Names of pharmaceutical products must not only be attractive and memorable, they also need to be registerable and able to obtain regulatory approval. Central to all of this is the issue of confusion: on the legal side relating to the product's commercial origin, protecting economic business interests, and on the regulatory side medical confusion regarding the characteristics of the products and ultimately protecting the safety of patients.

Benoit Beuken

As regulatory authorities reject up to half of all proposed names, businesses regularly register multiple trade marks for one product to avoid delays in the launch. In turn, this has led to 174,000 trade mark registrations in class 5 at the EUIPO, with 14,000 applications in 2021. The broad scope of class 5 further adds to this cluttering, raising the question of whether a separate trade mark class for 'pharmaceuticals for human use' is needed.

During the past years, possible solutions to complex problems offered by smart people have regularly mentioned the employment of new technology and, in particular, artificial intelligence, or AI. What this can mean for pharmaceutical trade marks was explored in the following presentations: first with Joanne Green of GSK speaking about the future of the pharmaceutical industry, and then by Lewis Whiting of Iaido with an introduction into high tech tools in the world of intellectual property.

The pharmaceutical industry is currently undergoing a transformational phase. Many companies are spinning off divisions to become less diversified and more focused,

Joanne Green

while AI holds the promise of quicker drug discoveries and more personalized treatments. Furthermore, governmental agencies are keeping up with the pace of innovation by introducing regulation, and the internet and social connectivity is empowering patients to learn about products, companies, and business practices. These are exciting times for the industry and patients alike (almost as exciting as GSK's image film, it seems).

Apart from scientific progress, AI also holds immense promises for trade mark management. To the dismay and shock of many audience members, Lewis pointed out that tools based on new technology will eventually force us to step out of the comfort of spreadsheets too large to send by email. But that is far from all: cross-industry collaborations with Big Tech may even provide for solutions to problems like overcrowded pharmaceutical trade mark landscapes; clearances utilizing data to predict both legal and regulatory assessments of similarity could reduce the

Lewis Whiting

amount of trade marks needed for successful launches and take pressure off of trade mark professionals in the industry.

Katie McKnight

In the last session before lunch, the conference turned to how the USPTO is set to address issues to ensure a sustainable trade mark regime, brought to us by Katie McKnight of Finnegan. The Trademark Modernization Act of 2020 (TMA) based on the USPTO Post-Registration Audit of 2012, had found large disparity between the designation of goods and services and

Continued on next page

actual subsequent use. The TMA amended the Lanham Act, whereby brand owners now enjoy a rebuttable presumption of irreparable harm; additionally, the TMA codified the concept of letters-of-protest and shortened office action response deadlines. Importantly, the TMA introduced new expungement proceedings for cases in which a trade mark has never been used in connection with some or all of its goods and services. These proceedings, which can be filed after the grace period of three years and must be filed before ten years after registration, can provide relief against bad faith filings – but also may lead to headaches in the pharmaceutical industry.

Vanessa Parker

After lunch, the conference was chaired by Vanessa Parker, PTMG's Editor of LL&P. She began the afternoon by making a plea for budding authors to step up to the plate so that our newsletter can continue to represent a broad spectrum of geographies and topics of interest to the members.

Kirsten Gilbert

Then came a PTMG favorite: the international case round-up. Kirsten Gilbert of Marks & Clerk took on the task this year, taking the audience on a trip around the globe. In the United States, two cases provided interpretations of bad faith. In Galperti Inc. v Galperti S.r.l., the Trademark Trial and Appeal Board (TTAB) was found to have applied an incorrect standard to determine fraud and bad faith; and in another case, the TTAB found a case of actionable fraud, interpreting a false statement of an attorney regarding a declaration of continued use and reckless disregard for the contents of USPTO filing as sufficient to constitute wilxful intent to deceive. In South Korea, decisions of the Patent Court changed the similarity criteria, moving the emphasis from phonetic similarity towards visible similarity. In India, two decisions took into account the public interest when determining measures; first, interim relief was refused, followed by a permission to sell existing, infringing stock – both in the public interest. In China, shoe-enthusiasts will be happy to learn that Manolo & Blahnik succeeded in getting rid of a trade mark squatter after a conflict lasting multiple decades. In the United Kingdom, Skykick continued to make headlines, albeit relating to its application elsewhere; in another case, unfortunate circumstances led to a decision being almost leaked (but not really), resulting in a closer look into questionable practices in some British law firms. We also learned that the EU is in desperate need of interesting cases worthy of inclusion in the round-up, and are holding out for the imminent CJEU decisions on parallel trade. [Editor's note : see page 4]

Mariam Sabet

In the last presentation of this year's conference, Mariam Sabet of Al Tamimi & Co. shed light on challenges of counterfeiting in the region of the Middle East and Northern Africa. Falsified medicines pose a significant issue here and challenging them requires decisive actions and close interaction with law enforcement agencies. Mariam gave us an insightful presentation related to counterfeited products following the pandemic, echoing the fact that Interpol has seized not less than USD $14 Million worth of pharmaceutical products in March this year. Mariam once again highlighted the impact counterfeited products could have on patients' lives as well as for a company's reputation. Since the pandemic, the MENA region has seen a drastic increase in counterfeit products which has led to an increase in its effort to eliminate fake medicines and medical products from reaching patients. This presentation surely resonated among the audience, as counterfeit products are clearly of great concern within the pharmaceutical industry.

The talks and presentations at the Jubilee conference highlighted one of PTMG's fundamental values: the diversity in speakers, topics and covered regions. However, another unique characteristic of PTMG is its sense of community. That sense was deepened even further by what happened next.

The room was filled by animated murmuring; crisp excitement filled the air. Something had been promised, something big, bold, and secret. For days, rumours had made the rounds: what will happen after the last presentation of this Jubilee conference? Will there be dancing? Even singing? Restless trade mark professionals shifted in their seats, like children eagerly waiting to open their first gifts on Christmas morning. 'Ladies and Gentlemen, for one time only, see your PTMG Committee as you have never seen them before!' And then. . .

It is not entirely clear how much of what followed these reporters may divulge. It is safe to say that the Committee took us on a ride through the past five decades, on a rollercoaster of loud music and outrageous fashion and glitter and sparks and fun. The chosen five Committee members went on to give his or her analysis of the past decades, some making the said decade last almost a century in view of the many memories evoked. It is also safe to say that anybody who missed it will hear accounts of it at the next conference, and the next, and the next...

Of course, the glamour of PTMG was not even close to over at this point. The traditional Gala Dinner at the Estufa Fria brought us all together for one last time. After three scrumptious courses and a few glasses of Portuguese wine, PTMG hit the dancefloor until the bar was no longer open, expense accounts were put to good use and the lights came back on inviting the PTMG attendees to head back to their hotel.

Surely for some, the night ended again on one of many rooftops in the second-oldest capital of Europe. And for all who attended and those who did not, it became clear that the logical next chapter must be the oldest capital: thus, after Brighton in March, PTMG will come back together for three days in October 2023 in Athens, Greece.

International Update

FRANCE

Frédérique Potin, Of Counsel, Guillaume Tran, Associate, Simmons & Simmons Paris

Good news for rights holders in France! They will no longer have to reimburse the costs incurred by French Customs on the detention and destruction of counterfeits.

As readers will be aware, filing a border detention request with customs provides rights holders with a channel to provide customs with the information that will enable them to identify and intercept suspect counterfeit goods. Having spotted suspect goods, customs inform the rights holder, providing photographs to enable it to identify whether the goods are counterfeit or genuine. The goods can be detained for a maximum of ten days (which is reduced to 3 for perishable goods). This necessarily entails certain costs. There was much debate regarding whether customs or the rights holders should bear those costs until the EU Regulation No 608/2013 dated 12 June 2013 provided at Article 29 that, upon request of the customs authorities, the rights holder shall reimburse the costs incurred by the customs from the moment of detention up to destruction of the counterfeit goods, including storage and handling costs.

French customs implemented a chargeback mechanism for the first time at the end of 2018 following the publication of an Arrêté dated 11 December 2018, which entered into force on 1 January 2019, and which stipulated that customs shall seek reimbursement from the right holder for the costs of managing, storing, handling, transporting and, where appropriate, destroying the suspected infringing goods that it detains. This order also set out the method for calculating costs.

This new mechanism resulted not only in a financial cost for the rights holders but in an additional administrative burden of arranging for the payment to customs.

The new mechanism effectively acted as a deterrent to rights holders, in particular in relation to small consignments of counterfeit goods.

It is with relief that rights holders have welcomed the Arrêté of 29 July 2022, published on 6 August 2022, which put an end to the chargeback mechanism, with immediate effect, only after 3 years of existence. Rights holders should therefore review their internal procedures to take into account this reduction in costs on the detention and destruction of counterfeit goods. Rights holders, who had previously decided not to respond to notifications of suspected infringements identified by French customs because of the cost, should now find that the French detention and destruction mechanism once again makes good commercial and legal sense.

From a practical point of view, rights holders should be aware that the customs detention forms have not yet been modified and still include the mention regarding the payment of costs. However, an official communication was sent to customs offices in September 2022, announcing the correction of the relevant forms, which should therefore be in circulation shortly, and reiterating the cessation with immediate effect of the chargeback mechanism.

The termination of the customs chargeback mechanism will once again enable rights holders to take rapid and effective decisions regarding suspected counterfeits and request their destruction, without having to consider the impact on their enforcement budget.

INDIA

Priya Rao, Priya Rao & Associates

Section 13 of the (Indian) Trade Marks Act, 1999, prohibits registration of names of chemical elements or International Non-proprietary Names (INNs) declared by the World Health Organisation and notified by the Registrar of Trade Marks India from time to time. If any mark is registered in error, the same will be cancelled as an entry made in the register without sufficient cause or an entry wrongly remaining on the register, as the circumstances may require.

In case of pharmaceutical products, due to consumer's better recall value, the mark used is usually derived from the name of treatment, name of the main chemical salt, or any other related medical term. Thus, it does not have an inherent distinctive character. Consequently, the procedure of protecting trade marks becomes difficult, and evidence of secondary meaning or acquired distinctive character is used to determine distinctiveness.

In pharmaceutical trade mark infringement and passing off cases, the above, if applicable, are common lines of defence.

The High Court of Delhi in its recent judgement dated 23 September 2022, while deciding an application for ad interim injunction in FDC Limited v Nilrise Pharmaceuticals Pvt. Ltd & Anr. http://164.100.69.66/jupload/dhc/NAC/judgement/23-09-2022/NAC23092022SC4272022_182331.pdf dealt with the above defence and distinguished it to injunct the Defendants from use of the impugned mark.

Background

Plaintiff, FDC Limited filed a suit seeking an interim and permanent injunction for infringement and passing off of its registered trade mark ZIPOD against Defendants, Nilrise Pharmaceuticals Pvt. Ltd & Anr. for use of ZOYPOD. Both were being used in relation to pharmaceutical products containing Cefpodoxime Proxetil as its active pharmaceutical ingredient. The Plaintiff claimed that it conceived the mark ZIPOD in 2004 and has been using it since 2007 in respect of cefpodoxime based antibiotic and antibacterial preparations. The Plaintiff sells a number of products using the trade mark ZIPOD with suffixes to indicate their potency or their combination, such as ZIPOD 200, ZIPOD 100dt, ZIPOD 100DS, ZIPOD 50DS, ZIPOD 50DT ZIPOD CV 200 and ZIPOD O. The Plaintiff was also the registered proprietor of the mark ZIPOD in class 5 since 2004. The Plaintiff asserted that adoption of the mark ZOYPOD is phonetically and conceptually similar to the Plaintiff's registered trade mark ZIPOD and the use of the said mark amounts to infringement and passing off. The Defendants were selling its formulations under various suffix such as ZOYPOD 200, ZOYPOD CV 325, ZOYPOD 100, etc.

The Defendants inter alia took the defence that the term POD is generic in nature and is derived from the common molecular name i.e., Cefpodoxime, which falls in the list of International Non-proprietary Names (INN) and is used to

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treat bacterial infections. Therefore, no one can claim an exclusive right over the same or over any other mark containing POD either as a prefix or suffix.

Decision

The Hon'ble judge rejected the Defendants submission that the mark ZOYPOD had been derived from the molecular name i.e., Cefpodoxime. The court observed that POD appears in the middle of the molecule name; it is neither the opening nor the closing part and is the irrelevant part of the said molecular name. The court held that the explanation given by the Defendants for adoption thereof, prima facie, does not appear to be genuine. Thus, based on the above observation and other relevant evidence, granted ad interim injunction in favour of the Plaintiff and against the Defendants, restraining the Defendants from manufacturing, marketing or selling pharmaceutical and medicinal preparations under the mark ZOYPOD or any deceptively similar variant of the plaintiff's registered trade mark ZIPOD, either as a standalone mark or as a prefix mark or in any manner whatsoever amounting to an infringement of the plaintiff's registered trade mark ZIPOD or passing off their pharmaceutical preparations as those of the plaintiff, during the pendency of the present suit.

KAZAKHSTAN

PETOSEVIC

The Kazakh Intellectual Property Office has introduced amendments to certain official fees, which entered into force on 19 September 2022.

The trade mark registration fee, which ensures protection for a period of 10 years, now only covers up to three classes of goods/services, and not all classes applied for, as previously. Each additional class over three now implies an additional fee of EUR €21.

Following recent amendments to IP laws which provide for the extension of the industrial design protection term for an additional five-year period (for a total maximum term of 25 years, as opposed to the previous total maximum of 20 years), the IPO introduced a maintenance fee for years 21-25 of the protection term, the amount of which is the same as the fee amount for years 16-20.

Finally, the IPO amended the fee payable for recording a name/address change regarding registered IP rights by excluding the wording 'fee per each change'. IP right holders will now pay only one fee to record all changes to a registered IP right. However, when recording changes to applications there is still a fee for each change separately.

SINGAPORE

Denise Mirandah, mirandah

Updated procedures for intellectual property dispute resolution

To realise the goal of consolidating Singapore's role as a centre for intellectual property (IP), and a choice venue for IP dispute resolution in Singapore, enhancements have been made to its IP dispute resolution process, effective 1 April 2022, in the form of the new Supreme Court of Judicature (Intellectual Property) Rules 2022 (Rules). The Rules bring together the Rules of Court pertaining to IP rights in a single piece of legislation.

One of the key features to the Rules is a new optional track for IP litigation, providing a means for the less well-resourced litigants to enforce or defend their IP rights in a dispute, by the imposition of ceilings to costs, damages, as well as duration of the trial. The optional track will be called the 'Simplified Process' for certain intellectual property claims. The Simplified Process will also enable prompt case management. It is intended to help expedite disputes that are less costly for the parties. Below are a few of the Rules' salient features:

Ceiling on claim amount

The Simplified Process is available in any one of the following situations: (i) the amount claimed is not above or is unlikely to be above S$500,000; or (ii) all parties consent to the Simplified Process. Even where the claimant has a claim in excess of S$500,000, it can elect for the Simplified Process, provided it relinquishes any claim above S$500,000.

Ceiling on costs

Generally, the total costs of the dispute under this track cannot exceed S$50,000 for the trial of the claim, and a cap of S$25,000 for any bifurcated assessment of damages after any set-off. To incentivise early dispute resolution, the itemised costs are ordered in such a way that the amount of costs that can be obtained at every stage diminishes as the dispute continues.

The Rules also provide for circumstances where the Appellate Court can impose ceilings on the costs that can be obtained on appeal, either on its own prerogative or if any party submits an application therefor.

Time limits on duration of trial

The Simplified Process restricts the trial to a two-day hearing. If the Court is of the view that the trial will take longer, it could hold that the Simplified Process does not apply to the case before it.

Prompt case management

The Court will give directions on all matters necessary for the case to proceed expeditiously for a 2-day trial, including crystallization of the primary issues that are the subject of the dispute, setting of certain deadlines, schedules for the hearing and period for witness testimony.

In addition to the new optional track, the Rules also impose certain obligations to notify the Registrar of Designs, Geographical Indications, Patents and Trademarks under the Intellectual Property Office of Singapore of certain IP proceedings in the High Court, as well as harmonize related provisions across different IP rights.

UKRAINE

PETOSEVIC

As part of the ongoing institutional reform of the Ukrainian intellectual property system, the Ukrainian Intellectual Property Institute (Ukrpatent) functions have been transferred to the Ukrainian National Office of Intellectual Property and Innovations (UKRNOIPI).

In its recent announcement, the Ukrpatent informed about the entry into force of the ordinance of the Cabinet of Ministers of Ukraine, dated 28 October 2022, No. 943-r 'Some issues of the National Intellectual Property Authority' under which the UKRNOIPI is designated as an entity absorbing the functions of the Ukrpatent.

Continued on next page

International Update continued

When the ordinance entered into force on 8 November 2022, the transition process was still ongoing. Only paper filings were accepted while there was a short delay in re-launching the e-filing system. Online filing was re-launched on 28 November 2022, so no further filing delays are expected.

VIETNAM

Denise Mirandah, mirandah

Amendments to Vietnam's Law on Intellectual Property (Amended IP Law) will come into effect on 1 January 2023, with exception of sound mark protection which has already commenced on 14 January 2022. We highlight some of the pertinent changes below:

Updates on provisions regarding Sound Marks

Sound marks may be protected in Vietnam, provided that they are capable of being graphically represented.

The provisions were supplemented to include a ground for refusal of sound marks that comprise 'copies [in whole or part] of copyrighted works, unless with consent from the copyright holders'. The scope of this provision is wider and extends to other cases beyond sound marks, in order to better secure copyright protection in broader terms.

Updates on provisions rearding Well-known Marks

Well-known marks are re-defined as 'widely known by the relevant sectors of the public in the territory of Vietnam' instead of the old general definition of 'widely known by consumers throughout the territory of Vietnam'.

The amended law also clarifies that the mark must be considered 'well-known' before the filing date of a later applied for mark in order to be raised as a cited mark against the later applied for mark.

Reduced time limit for an expired registration to be cited against later applied for marks.

The duration in which an expired registration will be eligible as a cited mark against a later applied for application is reduced from 5 years to 3 years.

In particular, an expired registration will not be cited against a later applied for mark after 3 years from the expiration date, except where the ground for such expiration (invalidation) was non-use.

Stay of Trade Mark Examination Pending Cancellation or Invalidation Proceedings

Applicants may apply to suspend the examination of the pending applications to wait for the outcome of the related non-use cancellation or invalidation proceedings.

Bad Faith Officially Available as Ground for Opposition, Invalidation and cancellation

Bad faith is recognized as an independent legal ground to oppose and invalidate a trade mark application or registration.

New Grounds to Refuse Pending Trade Mark and Termination/Invalidation of Registered Marks

Refusal

The Amended IP Law adds two more grounds to refuse pending applications:

(i) the use of the name of a plant variety that has been or is being protected in Vietnam if such sign is registered for goods that are a plant variety of the same or similar species or a product of the same species harvested from plant varieties; and

(ii) the use of names and images of characters or figures in works covered by copyright protection of others that were widely known before the filing date of the application.

Termination

The Amended IP Law also adds two more grounds for termination of a registered trade mark:

(i) such registered trade mark has become the common (generic) name of goods or services bearing that registered trade mark; and

(ii) the use of a protected trade mark by the owner of the trade mark or by a person authorized by the owner misleads consumers as to the nature, quality, or geographical origin of the goods or services.

Invalidation

Two new legal grounds for invalidating a registered trade mark are included:

(i) a registered trade mark may be partly or entirely cancelled if the applicant for that trade mark is found to have registered the mark in bad faith; and

(ii) revision or modification of a trade mark application has expanded or altered the nature of the originally applied for trade mark.

Detailed Reasons to Refuse Three-Dimensional (3D) Trade Marks

The grounds for refusal of 3D trade marks are set out as follows:

(i) The 3D mark consists of the generic shape of the goods.

(ii) The 3D mark is merely a representation of a necessary technical (functional) characteristic of the goods.

(iii) The 3D mark substantially increases the value of the goods.

Distinguishing the Parallel Procedures of Trade Mark Opposition and Third-Party Opinions

The Amended IP Law introduces a new provision allowing a third party to oppose a trade mark application, which differentiates from the current-available mechanism for third parties to share written opinions during the examination procedures, which remains unchanged.

A third party's written opinion only serves as a reference source for examining a trade mark application, which can be filed at any time from the publication date of the application in question until prior to the date of decision of the examiner to grant of protection.

On the other hand, an opposition is an independent procedure that allows any third party to file an opposition against a trade mark application within five months from the publication date of the trade mark application in the Official Gazette.

Trade Mark Enforcement

The Amended IP Law also distinguishes between 'Counterfeit mark goods' and 'Counterfeit geographical indication goods'. Further, under the Amended IP Law, the Customs Authority will proactively apply measures control at the border if, in the course of inspection, supervision and control, there are solid grounds to suspect that there are counterfeit imports and exported goods.

Pharma and consumer health product counterfeiting across South East Asia

Nick Redfearn, Principal, Rouse

Pharma and consumer health product counterfeiting in SE Asia's ten (10) countries ('the ASEAN bloc') presents several unique challenges. The ASEAN bloc is a huge healthcare market, with Indonesia being the largest market, followed by Vietnam and Thailand. Pharma companies see the region as a highly attractive commercial growth opportunity. Unfortunately, fake pharmaceuticals are widespread, risking the health of vulnerable persons and undermining legitimate returns on investment for research and development groups. In fact, one broad study by the United Nations Office on Drugs and Crime found that up to 47% of anti-malarial medicines in SE Asia were fraudulent in some way.

Most counterfeit pharma and health products are imported into the region, with only some local production (following manufacturing shifts from mainland China to Vietnam, Cambodia, and Myanmar especially). As well as finished goods, active pharmaceutical ingredients (APIs) often come into the region from India and China. Since only some patents are filed in SE Asia, action against API imports can be challenging. Some imported healthcare products are split into components, and separate branded labels and packs are sent. Operators in China are the main players in counterfeit production.

Customs in the region remain weak; Thailand and, to a lesser extent, Vietnam have well-functioning Customs systems. Both make seizures regularly, so healthcare companies should record key brands. The Philippines has a recordal system, but the seizures rarely occur for recorded brands (instead, random seizures occur unrelated to recordals). Indonesia has a new recordal system, but to date, few records have been made due to the application complexity, and a couple of seizures have occurred. Malaysia has no Customs IP system at all.

Singapore rarely sees counterfeits enter its market; the real challenge is the vast transit business (involving all kinds of illicit goods, including counterfeits) through the largest transshipment port in the world.

E-commerce boomed during the pandemic in SE Asia. Many e-commerce platforms offer a wide range of healthcare products, even those usually sold by prescription. Some marketplaces actively stop the offering of regulated health products, while others are lax. Healthcare companies must put in place several strategies to:

- Survey, identify, trap purchase, and verify listings, usually with analysis of labelling, batch numbers, etc. to identify counterfeits and unregulated products
- Use Notice & Takedown processes. This can be through an outsourced vendor, or a local provider (especially where language or distance causes low takedown efficiency)
- Identify major traders (repeat, large scale, or other red flag-based targets) for online to offline investigations, warning letters, and legal actions against the worst. Given most are small merchants, low-cost enforcement is critical. Ministry of Health regulatory complaints may be more effective than Counterfeit/IP complaints in some countries
- Engage with the major platforms to improve takedown quality, initiate specific actions against repeat and high-volume traders, and support legal actions

The Pharmaceutical Security Institute regional office in Singapore is active in this space. They have initiated Memorandums of Understanding (MOUs) with e-commerce platforms. There is also a wider effort to improve the cleanliness of SEA e-commerce marketplaces. Similarly, the UK IP Office initiated an MOU between platforms and IP owners in the Philippines. The Thai DIP also created one to improve merchant investigations. Indonesia is now also looking at an MOU in early 2023, with the UK IPO's help.

Investigations and enforcement against counterfeits in most SE Asian countries remain a challenge. Covid hampered efforts to improve enforcement. Thailand generally can carry out effective raids. Similarly, the Philippines has a National IP Coordination Centre to drive raids. Some jurisdictions, particularly Thailand and Indonesia, suffer from police corruption at differing levels, so enforcement warrants careful scrutiny. Vietnam tends to be slow and bureaucratic. Few countries' criminal authorities will initiate and then run cases effectively without some level of supervision by the brand owner. The situation leads to an overall lack of criminal deterrents. IP owners should view the pandemic as having paused IP enforcement improvements, and renewed effort is needed to get authorities back into the habit of making progress in enforcement.

Below are several recent case examples:

Indonesia

In 2022, Indonesian police arrested producers of various health products, including Becomzet vitamins and Bio Insuleaf herbal diabetes supplements, in Rembang in North Central Java.

In 2020 in Lombok, two (2) men were arrested for selling counterfeit medicines that they had purchased through online shopping sites and that they supplied to eastern Indonesian islands.

In 2019 police busted a pharmaceutical wholesaler, PT Jaya Karunia Invesindo, which had been repackaging generics into non-generic patent-protected drugs, which they sold at a higher price.

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Pharma and consumer health product counterfeiting across South East Asia continued

Philippines

In 2022, Customs seized 30 million pesos (around USD $585,000) worth of counterfeit medicines at two storage units in Parañaque. The seized drugs were packed in cartons with Chinese characters. Among them were counterfeit versions of branded medicines Alaxan FR, Bioflu, Biogesic, Medical, Neozep, and Panax. Also included were fakes of the antiparasitic medication Ivermectin and Phenokinon-F Injection, as well as the supplements Immunpro and MX3. Adel Rajput, a Pakistani, was arrested.

In early 2022, Manila's Special Mayor's Reaction Team (SMaRT) arrested Monique Gamboa, an online seller of fake medicines that were supposedly manufactured by Unilab. After a test-buy Gamboa offered 18,000 tablets of Bioflu and a box of Neozep tablets. A prosecution has now started.

Also, in early 2022, seven (7) persons were arrested for allegedly selling over Piso P2 million worth of unauthorized Clungene COVID-19 antigen rapid test kits and counterfeit medicines in Quezon City. Hangzhou Clongene Biotech makes the genuine product. In addition, around 300 boxes of test kits valued at P1.2 million, a Ford car and a cell phone were confiscated. The sellers had used Facebook for their transactions.

Pampanga police raided and arrested a 47-year-old man after discovering seven (7) sacks of counterfeit medicines in his residence. These included Celecoxib, Cefuroxime, Etoricoxib, Emeprozole and Recombinant Human Erythropoietin, and two sacks of Co-Amoxiclax.

In 2020 two Chinese citizens were arrested in Cavite for possession of P10 million worth of Covid medicines. Police said 27 boxes or 259,000 capsules of Linhua Qingwen Jiaonang, a Chinese medicine, were seized.

Singapore

In 2021, police arrested a 34-year-old man for selling 41,000 suspected trade mark-infringing respirators with an estimated value of over SGD S$ 201,000.

Late in 2021, police arrested a woman selling 300 fake thermometers online. The fakes only displayed a 37°C reading!

Customs seized 1,520 strips of illegal medicine at the Johor Causeway Bridge Woodlands checkpoint entering Singapore from Malaysia. The illegal medicines were concealed in the rear door panel of the car; 2 Singaporeans were arrested.

Cambodia

In 2019 the Interior Ministry's Counter Counterfeit Committee seized thousands of illegal Chinese herbal pills and sex enhancement medicines. Police raided three shops. Some had no marketing approval; others were expired.

Vietnam

In 2022 Vietnam fired a deputy health minister after he was accused of involvement in a fake medicine trading ring. Police investigated him in November after being accused of permitting a local company to import over 54 billion dong (USD $2.38 million) worth of fake medicine for domestic sale. Truong Quoc Cuong was head of drug and cosmetics management.

In 2019 a former CEO of a private pharmaceutical company in Saigon was sentenced to 17 years in prison for smuggling fake cancer medicines. His company apparently purchased them from Canada's Helix Pharmaceuticals, which does not exist; in reality, the fake medicines were Indian imports of a low-quality compound.

The variety of these cases shows a widespread problem involving both international and domestic transactions.

Noticeably, the number of seizures is tiny compared to the real scale of the issue. Moreover, cases rarely lead to prison time. Exacerbating the crisis are online marketplaces and a lack of cooperation and diligence between the Ministry of Health and criminal enforcement officers and Customs.

On the positive side are the success of the Philippines' National Coordinating Centre, which is bringing multiple agencies together, Thailand's well-run Customs system, and the improvement through MOUs of SE Asian e-commerce platforms. Still, healthcare companies require public authorities to take more of a lead with regards to building effective enforcement programs in SE Asia.

101st PTMG Conference 20-21 March Brighton UK

Booking will commence in January 2023

LIDL v TESCO

Sarah Jeffery, Pinsent Masons LLP

Although not a pharmaceutical case, a recent England and Wales Court of Appeal decision in a dispute between supermarket giants Lidl and Tesco (EWCA Civ 1433 (02 Nov 2022)) provides an advancement of the assessment of bad faith counterclaims in the UK.

Lidl's Infringement Claim: The dispute focuses on use by Tesco of a sign consisting of a yellow circle on a square or rectangular blue background as shown below (the Sign). Lidl has claimed infringement, passing off and copyright infringement in relation to use by Tesco of the Sign although both parties accept that the Sign has only ever been used in conjunction with overlaid text (e.g. as in Image 2 below).

Image 1: the Sign

Image 2: the Sign as used with overlaid text

Lidl owns various registrations protecting two marks that it claims Tesco's sign infringes. One is a wordless mark consisting of a yellow circle with a red border in a blue square (the Wordless Mark). The other trade mark consists of the same features but with the Lidl logo in the middle of the circle (the Mark with Text).

the Wordless Mark

Mark with Text

Tesco denies that it has infringed any of the registrations relied upon for either of Lidl's marks.

Tesco's Defence and Counterclaim:

Tesco sought to invalidate several of Lidl's registrations of the Wordless Mark on the basis that Lidl had 'applied to register certain of the trade marks in suit in bad faith and counterclaim for a declaration of invalidity of those trade marks on that ground'. It also included a further claim in relation to 'evergreening' of registered rights.

Section 3(6) of the Trade Marks Act 1994 provides that a trade mark 'shall not be registered if or to the extent that the application is made in bad faith'. Section 47(1) of the same Act provides that the registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3.

Lidl accepts that it has never used the Wordless Mark in the UK in isolation but only in the form of the Mark with Text. Tesco argued that the purpose of Lidl's registration of the Wordless Mark in 1995, and subsequent 'evergreening' of the mark through re-registrations in 2002, 2005, 2007 and 2021, is to use the trade mark as a 'legal weapon' with no intention as to genuine use in the course of trade.

High Court Decision: In June 2022, Joanna Smith J, sitting in the High Court, struck out Tesco's bad faith claim on the basis that she considered that 'Tesco's pleaded case disclosed no reasonable grounds for bringing that claim'. Tesco appealed this decision.

Tesco's Basis of Appeal:

Element of Tesco Appeal	Outcome at Appeal
Failure to correctly apply rule 3.4(2)(a) of the Civil Procedure Rules	Failed at appeal
Failure to take into account that bad faith is a developing area of law	Accepted at appeal but would be insufficient in isolation for appeal to succeed
Failure to properly consider pleaded facts and inference of bad faith counterclaim as a whole in the context of Lidl's infringement case taking into account that Lidl have not yet provided any disclosure in the main infringement case as to their intentions at point of registration of the marks relied upon.	Succeeded at appeal

Court of Appeal Decision: Tesco's bad faith counterclaim raises the question of whether Lidl's filing strategy in relation to the Wordless Mark amounted to an abuse of the trade mark system.

In this regard, the court held that 'it is clear' from case law, 'that for an applicant to seek unjustifiably broad protection may amount to an abuse of the trade mark system which constitutes bad faith'. Whether it does so 'is at least to some extent a fact-sensitive question which depends in large part on the applicant's intentions'. It assessed that there is a real prospect that Tesco's arguments of bad faith intentions on the part of Lidl can overcome the 'presumption of good faith' that applies, meaning the burden will be on Lidl to 'explain its intentions'. Tesco's counterclaim should therefore be heard at trial alongside Lidl's claims of infringement.

Lord Justice Arnold considered it clear that a bad faith ground for invalidity has two purposes:

1) To prevent bad faith with regard to a specific third party or parties; but also

2) To prevent abuse of the trade mark registration system.

He considers this second basis for objection to be one of the few ways of combatting an increasing level of abuse of the trade mark system which therefore cannot be too restrictively interpreted.

Lord Justice Arnold also gave a detailed assessment of who the obligation to define an acceptable breadth of specification should rest with, which makes for interesting reading with the upcoming Skykick decision in mind. He also stated that Tesco's pleadings and particulars in relation to evergreening are sufficient at this stage to enable that claim to proceed.

Bad faith remains a hot-topic in UK trade mark law at the moment. Between the ongoing Tesco/Lidl dispute and an anticipated judgment from the Supreme Court in the Skykick case next year (in relation to the breadth of goods and services applied for), we can expect to see further substantive developments in this area of law.

PROFILE: Susie Arnesen

I started my own IP boutique firm on 1 December 2019 after about 30 years of practice in other firms, most recently as a partner and attorney-at-law with the Copenhagen IP boutique firm of Løje, Arnesen & Meedom (previously Sandel, Løje & Partnere).

I have been working in the IP field since 1983, primarily focusing on counselling Danish and foreign companies on establishing, maintaining and enforcing trade mark and design rights, nationally as well as internationally, always with a keen focus on the commercial aspects of IP. I am entitled to plead before the High Courts of Denmark and I take an active part in PTMG and especially INTA, where I have on several occasions participated as a conference speaker, moderator, long-time committee member and on the Board of Directors from 2016-2018.

Where were you brought up and educated?

I was raised in the town Haderslev, in Jutland just 50 km north of the German border; after high school – in Denmark and then in the US - I moved to Copenhagen to study, initially to study business languages at Copenhagen Business School. Later I attended University of Copenhagen for my law degree.

How did you become involved in trade marks?

Initially by pure accident. I had applied for and been offered two jobs, one at a patent and trade mark agency, the other as an executive secretary with an industrial enterprise. As the commute to the former was easier from where we lived at the time, I ended up in trade marks – and it was love at first sight.

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

Well, if the commute had been different, I would probably have had a very different career; no law degree, no IP, but more of a secretary type of work. Or something entirely different…

Which three words would you use to describe yourself?

Efficient; pragmatic; optimistic.

Complete the sentence: If I have time to myself …

I would read more books! I used to read all the time, finishing at least 2-3 books every month, but nowadays I barely finish one in 6 months..

What's the best thing about your job?

Clearly the international aspect is what triggers me the most; the opportunity to meet with colleagues and clients from all over the world is very special for the IP community, particularly for trade marks, and some of my best friends are people I have met at various trade mark conferences over the years.

What did you want to be as a child?

Originally, I wanted to become a history teacher, as history was my favourite subject in school. Later I dreamt of becoming a fighter jet pilot (way before Top Gun!) or a sports journalist.

What is your biggest regret?

That I did not have the courage to start my own business long before I did. Whereas I have enjoyed working with my previous firms (Plougmann & Vingtoft and Løje, Arnesen & Meedom, where I spent 14 and 18 years, respectively), there is something special about running your own business, and being responsible for everything that comes with it, in good times as well as bad times. Making the right decisions and choices is challenging, but also rewarding.

What is your philosophy in a nutshell?

Everything will be all right!

What car(s) do you drive?

I am a big fan of Mercedes, and must shamefully admit that right now we have three: my favourite, an almost 20 year old convertible, an E300 sedan and an all electric EQC.

What is your weakness?

Apart from enjoying good food and wine? I find it difficult to say 'no' when asked to do something, be it for clients or otherwise, and it's hard for me to avoid making promises which I then struggle finding the time to keep.

Which book or books are you currently reading?

Barack Obama – A Promised Land. First of all, it's an interesting read, but I also find it really well written. He has a wonderful way with words – very much like his speeches (which I am fully aware that he has rarely written by himself).

Which book changed you?

Tuesdays with Morrie by Mitch Albom. It was recommended to me by a very dear friend from Canada, and it is probably the most inspiring read I've ever experienced. Sad, but also comforting at the same time.

What is your all-time favourite film?

Lawrence of Arabia – the scenery and filming is beautiful and although the acting may seem a bit antiquated nowadays, Peter O'Toole was simply amazing. A close second is the first version of West Side Story, which is so much better than the latest version – I still cry every time I see it.

What is your favourite drink?

Well, nothing beats a GT, but I am also very fond of champagne and bubbles in general – so much, so that my friends gave me a silver plated champagne cooler many years ago when I turned 40.

What is your favourite item of clothing?

Sweaters of all kinds!

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

Come to Copenhagen in May or June – take the Canal Tour and visit the food market on 'Reffen'.

What do you like, even though it's not fashionable?

The paper version of my daily newspaper. There is something comforting about sitting down in the morning with a cup of coffee and the newspaper – somehow the paper version makes me actually read the longer articles that I will more easily scroll past on the online version of the same paper.

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