Law Lore & Practice

PTMG Pharmaceutical Trade Marks Group

Dec 2020

Editorial: On Hope

As this year draws to an end, we can at last allow ourselves a glimmer of hope. A light at the end of the tunnel is an expression we are hearing more and more on the media and in everyday conversation. The pharmaceutical industry has broken records, thought out of the box, invested massively and worked collaboratively to achieve that which has never been achieved previously.

Sandwiched between Faith & Charity in Christian texts, Hope is defined as a divinely infused virtue which acts upon the will. It is the opposite of despair and for sure, it is a sentiment which we have all needed to find every day to continue to soldier on in the face of ever growing doom and gloom and for many, personal grief. Rubem Alves, a Brazilian philosopher and one of the founders of liberation theology wrote 'Hope is hearing the music of the future. Faith is to dance to it.'

Humanity needs hope. We also need to share that sense of hope with others and technology allows most people to enjoy that feeling of talking and seeing others and sharing experiences, even if the lack of human contact is sometimes unbearable. But we would be ill advised to forget that a large minority of the global population might not yet be able to share in our sense of hope, through no fault of their own. The aptly named WHO 'Solidarity' clinical trial enrolling almost 12,000 patients in 500 hospital sites in over 30 countries underscores the need to work together.

Working together, the PTMG Committee were very pleased to be able to bring you our first virtual offering and very much hope that you will join us sometime in the Spring for our next edition of PTMG@home.

Meanwhile, we wish you all a festive season full of hope with a large dose of goodwill to others.

Vanessa

US Update

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

Trade mark assignments are an important part of the pharma industry as acquisitions take place at a rapid rate. The Trademark Trial and Appeal Board in Method Pharmaceuticals, LLC v Pharma 101, LLC, 2020 WL 4883096 (TTAB 2020)(non-precedential), outlined some pitfalls to avoid in acquiring marks and trying to protect them.

https://ttabvue.uspto.gov/ttabvue/v?pno=92068970&pty=CAN&eno=43

Method Pharmaceuticals filed a cancellation proceeding alleging that the trade mark ESTRATEST for 'male and female hormone tablet[s]' had been abandoned by owners of the mark prior to its assignment to Pharma 101, the current registrant, and, therefore, Pharma 101's registration for the mark should be cancelled. Method sold generic versions of these tablets and had filed its own applications to register the mark which had been abandoned or rejected based on Pharma 101's registration. Prior to Method's challenge, the ESTRATEST mark and registration had been assigned many times over the span of 50 years: AbbVie Products LLC to Pharma 101 in 2018; Abbott to AbbVie a few years earlier; Solvay Pharmaceuticals, Inc. to Abbott in 2010; and the original owner to Solvay 26 years beforehand.

Under US trade mark law, a mark is deemed abandoned, and its federal registration will be cancelled, if the mark has been discontinued with intent not to resume use. The petitioner seeking cancellation has the burden of proving abandonment, but if it establishes that the registrant has not used the mark in commerce for three consecutive years, that creates a presumption of abandonment, which shifts the evidentiary burden to the registrant to rebut, if it can do so. The Board noted that claims of such 'nonuse abandonment,' are typically difficult or impossible to prove by 'direct evidence,' as it is difficult to prove a negative. Therefore, the Board emphasized that it would accept circumstantial evidence.

Method submitted such evidence in the form of 2009 press releases from Solvay, the earlier owner of the registered ESTRATEST mark, and Solvay's contemporary corporate regulatory filing, stating that it intended to stop selling the ESTRATEST products and would sell its entire pharma business to Abbott for EUR €5.2 Billion. Method also submitted evidence from a subscription pharma database that did not show any use of ESTRATEST after 2009.

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Words from the Chair

I have re-read my little Christmas carol in the December 2019 issue of LL&P and I must admit the world has changed dramatically since then: This year Santa Claus has a hard time to travel anywhere since the reindeer are all under quarantine as potential transmitters of the Corona virus. He also has problems to wear the obligatory protective mask over his massive white beard. Santa's seasonal meeting with Angela Merkel was cancelled anyway since she has imposed another lockdown and has told everyone that personal contacts with others (including Santa Claus) must be turned down.

Seriously the pandemic has hit us really hard. The situation gets worse daily almost everywhere . Looks like we are in the middle of the so-called Second Wave which was so dramatic during the Spanish Flu 100 years ago. With the recent announcement of two promising vaccines there is light at the end of the tunnel. So like everyone else I hope for the best. But it will still take a very long period of time and we need rather unlimited patience and resilience.

We are doing our best to navigate PTMG through this pandemic. After the cancellation of the Spring Conference and the postponement of the Autumn Conference to 2021 we have launched PTMG@home as a new format with interesting virtual presentations on October 8 and 9. We are happy that a considerable number of our members registered for this event which turned out to be quite successful. At least we got very positive feedback for which we are very grateful. Due to the pandemic we will not be able to conduct a 'normal' Spring Conference. So we are preparing for another PTMG@home event in March 2021 with the final dates yet to be confirmed. We will keep you updated on any new developments and recommend that you also visit our website www.ptmg.org every now and then for news.

Until then I wish you a peaceful and happy festive season with family and friends which this year will probably need some adjustments due to the pandemic. Stay healthy and safe wherever you are!

Frank Meixner

Members News

New Members

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

Stefan Mentzer from White & Case LLP, New York, USA
smentzer@whitecase.com

Richard May from Osborne Clarke LLP, London, UK
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Rebecca Anderson-Smith from Mewburn Ellis LLP, Bristol, UK
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Michaela Papouskova from CKT Cervenka Turkova Partners, Prague, Czech Republic
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Diana Schmerler from Merck KGaA, Darmstadt, Germany
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Karla Hughes from Allen & Overy LLP, Belfast, Northern Ireland, UK
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Gina Lodge from Marks & Clerk Law LLP, London, UK
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Mark Biernacki from Smart & Biggar LLP, Toronto, Ontario, Canada
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Matthew Fried from Novartis, East Hanover, New Jersey, USA
matthew.fried@novartis.com

Moves and Mergers

Katie Smith is now with Eversheds Sutherland (International) LLP, Manchester, UK and can be contacted at katiesmith@eversheds-sutherland.com

Sema Sinmez has joined Tan-Alize Kozmetik ve Temizlik Ürünleri San. ve Tic. A.S., in Istanbul, Turkey and can be contacted at sema.sinmez@farmasi.com.tr

Suvi Haavisto has joined Dream Broker Ltd., Helsinki, Finland and can be contacted at Haavisto.suvi@outlook.com

Olivier Capp is now with F. Hoffmann-La Roche AG, Basel, Switzerland and can be contacted at Olivier.kapp@roche.com

Maria Pia Carvalho Guerra has left Herrero & Asociados to join Kasznar Leonardos Intellectual Property, Rio de Janeiro, Brazil. Maria can be contacted at mariapia.guerra@kasznarleonardos.com

Lisa Iverson has established her own firm, Iverson IP in Chicago, Illinois, USA and can be contacted at liverson@iverson-ip.com

Deirdre Clarke has left Leason Ellis and joined Novartis Pharmaceuticals Corporation in East Hanover, New Jersey, USA. Deirdre can be contacted at deirdre.clarke@novartis.com

Valeska Toebelmann has left CMS Hasche Sigle to join Haesemann IP in Cologne, Germany. Valeska can be contacted at v.toebelmann@haesemann-ip.de

Ganna Prokhorova has joined new firm, Mamunya IP in Kiev, Ukraine. Ganna can be contacted at prokhorova@mamunya-ip.com

Sebastián González Yanes has left Citemark International to join PI 360 Legal in Caracas, Venezuela. Sebastian can be contacted at sgonzalez@pi360.legal

João Paulo Mioludo is now with RCF – Protecting Innovation S.A. in Lisbon, Portugal. João can be contacted at jpmioludo@rcf.pt

Franziska Strebel Preiswerk is now with Keller Schneider Patent und Markenanwälte AG (Zurich) in Zurich, Switzerland. Franziska can be contacted at f.strebel@kellerschneider.com

Sarah Jeffery formerly with GSK, has joined Pinsent Masons in London, UK. Sarah can be contacted at sarah.jeffery@pinsentmasons.com

Penelope Catley can now be contacted at Penelope.catley@ajpark.com in Wellington, New Zealand following the recent merger of Baldwins and AJ Park

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

German Federal Patent Court held that the trade mark 'frei' (free) has a normal degree of distinctiveness

Margret Knitter, LL.M., SKW Schwarz

This case deals with the soap branded

which probably every German knows from his or her childhood. In its decision the German Federal Patent Court (26 W (pat) 509/20 of 17 August 2020) sets out important principles for determining the distinctiveness of a sign, which plays a major role in the assessment of likelihood of confusion.

The applicant Redschlag Holding GmbH had sought for registration of the word mark Free! for goods in classes 3 and 5. The application was opposed by Apotheker WalterBouhon GmbH on the basis of the EU word mark 'frei' and the German word/device mark as given above, both registered for goods in classes 3 and 5. The German Patent and Trademark Office granted the opposition due to a conceptual identity of the marks (the English term 'free' means 'frei' in German). It is noteworthy that the German Office held that the prior signs 'frei' possessed low distinctiveness as they indicated a certain meaning for the registered goods, for instance 'free of pain'.

On the appeal, the German Federal Patent Court mainly confirmed the decision and held that the goods are identical or similar to each other and the signs are conceptually identical. Overall, the Federal Patent court confirmed the likelihood of confusion between the marks.

What is probably the most remarkable aspect of this decision is that the Court– other than the German IPO – held that the prior marks 'frei' have a normal distinctive character. At first, the Court made clear that they could not affirm gained enhanced distinctiveness of the earlier trade marks through widespread use, even though the opponent claimed that, but had failed to submit according evidence.

Thus, the Court had to evaluate the degree of inherent distinctiveness of the sign 'frei'. The Court presented in detail that the term 'frei' (in English free) has several meanings, such as 'being in freedom, independent, not bound'; 'not using aids'; 'not bound by [moral] norms'; 'not handicapped, not impaired'; 'not arrested, not trapped'; 'open, uncovered'; 'unclothed, bare'; 'unoccupied, not used by others'; 'available' or 'free of charge'. Synonyms would be 'autonomous', 'independent' or 'being one's own master'.

With regard to the relevant goods of classes 3 and 5 though, the Court held that the trade mark 'frei' as a standalone and thus without an explanation of which properties or ingredients the products should be free, has no descriptive meaning. Consequently, the trade mark was distinctive to an average degree.

By its decision, the Court has contradicted previous decisions of its own regarding the level of distinctiveness of the trade marks 'Frei' and 'Free' and held that at least since a ruling of the German Supreme Court in 2010 (case I ZB 39/09 – T- as well as decision of 31 May 2016 in case I ZB 39/15 – OUI), it is inadmissible to add the goods protected by the trade mark. This also applies to the IPO's addition of explanations, such as 'free of pain', 'free of a stuffy nose', 'free of germs' or 'free of certain ingredients', to the trade mark 'frei' ('free'). Such additions alter the trade mark, which is the subject of the examination of distinctiveness exclusively in its registered entirety, i.e., on its own.

US Update continued

In addition, Method pointed out that Pharma 101 later filed its own abandonment-based cancellation action against the ESTRATEST registration as additional evidence of nonuse. The settlement of that action led to AbbVie's subsequent assignment of the ESTRATEST mark and registration to Pharma 101 for only USD $2,000.

The Board was struck by this 'shockingly' low purchase price in light of annual sales of EUR €38 million when Solvay owned the mark in 2008, and the billions of Euros paid when Solvay sold its entire pharma business to Abbott. The Board concluded that the 'cheap' price paid by Pharma 101 for the assignment supported Method's allegations of a prior abandonment.

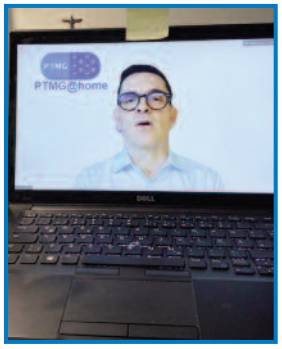
To explain its contradictory positions in alleging its predecessor had abandoned the ESTRATEST mark and registration, and now denying abandonment in this proceeding, Pharma 101 said it did not realize when it filed the cancellation action that AbbVie (the prior owner) still had a desire to license or assign the mark. However, the Board said it saw no evidence of actual efforts taken by AbbVie to license the mark that would support an intent to resume use. Pharma 101 also offered no explanation as to why AbbVie itself was not able to use the mark on its own without a license.

The Board also dismissed Pharma 101's more attenuated argument that ESTRATEST products from 2010 may still be on the shelves and that this would establish continued use. The Board noted that such sales would be well beyond the two-year product expiration date and, therefore, would not be recognized as lawful use in any event. Further, Pharma 101 did not recognize this 'use' evidence when it brought its earlier cancellation action, which further contradicted and undercut its position now.

PTMG@home 8th and 9th October, 2020

Patricia McGovern with assistance from Romane Vernier, DFMG Solicitors LLP

With the cancellation of the Spring 2020 meeting, it was inevitable that the Autumn 2020 event, if it was to go ahead, would be different from our usual PTMG experience. Adjusting to these trying times, Chairman Frank Meixner hosted the first PTMG@home event on 8th and 9th of October. Attendees were transported to the virtual world to participate in two live symposia by videoconference and three on demand pre-recorded video podcasts.



Frank Meixner

The first symposium focused on digital health-care while the second dealt with parallel imports and free riding.

In the first session of the event, Nikolas Gregor of CMS looked at the very current topic of trends in digital healthcare and the challenges that it can give rise to from a regulatory perspective. Nikolas firstly discussed what is digital healthcare and presented some practical examples of digital healthcare applications ranging from hospital management software to electronic health records, robotics, telemedicine, clinical decision support systems and medical apps. Nikolas then focused on the regulatory challenges. The first challenge addressed was whether this technology qualifies as a medical device and, if so, the classification of those medical devices and the regulatory consequences.

Nikolas also explored the challenges in the use of artificial intelligence. Again, he firstly explored what exactly AI is and then focused on the regulatory challenges, in particular, in relation to AI's compliance with safety measures, in particular how can repeatability, reliability and performance as well as verification and validation be ensured for 'black box AI'. Finally, Nikolas addressed the question of the reimbursement of digital medical devices by health insurance companies together with a few words on IP in relation to the protection of software and AI inventions through copyright and trade mark law.


Nikolas Gregor

This session proved to be a fascinating discussion of trends in this area and how the regulatory authorities are grappling with it.

It was followed by a session on the use of games as a therapeutic means presented by Jurrian van Rijswijk, Chairman of the Games for Health Europe Foundation which develops games and apps with positive effects on people's lives. Again, the legal and regulatory challenges were addressed. Entertaining as well as informative, I for one learned how the Michelin Guides came into being, an early example on the use of a 'game' to generate demand for a product. My personal favourite example was the game to make it more entertaining for pedestrians to stop at traffic lights.

Jurrian explained how game technologies can assist in the delivery of healthcare, using examples such as the game Re-Mission designed for children with cancer so that they can learn more about their disease while playing a game. On 16 June 2020, the FDA confirmed the possible health benefit of games by approving a video EndeavourRX for children with ADHD, which means that doctors can prescribe it as medicine in the USA. Jurrian also stressed that it was possible to use games to help scientific research by designing them as a way of solving a scientific problem e.g. the game Unmask where players 'puzzle for science' on the subject of lymphoma. Jurrian reminded us that play gives us the opportunity to adapt to change and learn: 'with play you can change the world'.

For me, the first day of PTMG@home reminded me of the amazing positive and innovative changes that technology and the digital world can bring to healthcare and medicine but regulation needs to adapt quickly in this fast paced area.

The second symposium of this event moved us away from the digital world and commenced with a talk on parallel trade and transparency: empowering patients by Myrtha Hurtado Rivas of Novartis. Myrtha took a novel but justified approach to this topic by focusing on parallel imports from the perspective of the increasing demand by patients for transparency and the premise that patients should have the freedom and information to make informed decisions.


Myrtha Hurtado Rivas

Myrtha presented the European legal framework for parallel trade including the BMS conditions, with the requirement for re-packaging and re-branding to be objectively necessary in order to be legitimate. In 2019, the Falsified Medicines Directive (FMD) came into force with the aim of implementing a transparent system in the EU by requiring all medicines to contain anti-tampering devices. Myrtha highlighted that parallel traders remain strongly in favour of re-packaging even if those actions give rise to less transparency. The interaction of the well-established rules on parallel imports and the FMD has inevitably led to litigation with cases on the topic currently pending before the CJEU. Myrtha concluded with the observation that consumers are increasingly demanding transparency, which is a trend that will need to be acknowledged.

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PTMG@home 8th and 9th October, 2020 continued

This led to the last session of the event where Markus Rouvinen of Thomsen Trampedach addressed the subject of free-riding in relation to generics, biosimilars and originator trade marks in France. Markus firstly discussed the Human Medicines Directive and the Misleading and Comparative Advertising Directive and how certain conditions on the latter prevent free riding. He then discussed decisions from a number of jurisdictions on the use of originator trade marks namely Spain, Germany and particularly France. He identified discrepancies between the CJEU case law and the French approach to free-riding regarding generics and originators. While the EU provides that the use of the originator trade mark on generics is only legitimate when it has an informative significance, the French approach, perpetuated through a decree in 2012, provides that all advertising for generic medicines must contain a reference to the brand name of the originator, its pharmacological form and its dosage, even where it has no informational value to the target audience. Markus emphasised that this approach is contrary to the interpretation of the Misleading and Comparative Advertising Directive given by the CJEU and that this divergence between Member States is problematic, raising the need for CJEU guidance. Markus concluded his presentation with a word on biosimilars, stating that due to many differences between generics and biosimilars, the use of the originator mark in a similar way as seen above would not be justified.

Markus Rouvinen

The sessions on the second day of PTMG@home shows that even in our more traditional areas of practice, there are always new developments and these can present challenges for us, particularly where different industry players or different jurisdictions adopt different approaches.

These two live sessions were complemented by three pre-recorded video podcasts.

In the first podcast, Richard May of Osborne Clarke presented the international case law roundup. Richard started with two EU cases relating to trade mark specifications and bad faith (Sky v Skykick and Alliance Pharmaceuticals v EUIPO) before detailing a UK and a German case on colour marks (Glaxo v Sandoz and Unilever v Beiersdorf). Richard then took us through the controversial topic of intermediary liability with two decisions, one from the Swiss Commercial Court (Easygroup v Akenes) and the second from the US District Court in New York (Omega v 375 Canal). Finally, Richard addressed the theme of counterfeits with reference to Chinese case law (Chanel v Ye Meng-Zong) and ended his presentation with a US decision on fair use (Tiffany v Costo). Thus concluded an enlightening overview of recent and relevant cases from around the world.

Richard May

Priya Nagpal

In the second podcast, Priya Nagpal and Frédérique Potin of Simmons & Simmons provided us with an interesting and comprehensive talk about the protection of trade secrets, 'a key part of IP strategy'. They first presented an overview of the legal framework with a focus on the provisions of the EU Trade Secrets Directive outlining applicable conditions, infringing acts, possible defences, and remedies. Priya and Frédérique then detailed what is covered by this protection in practice and we were provided with useful advice on the steps to take to actively protect trade secrets. The presentation concluded with a word on the impact of the Directive in six 'key European jurisdictions' (the UK, Germany, France, Belgium, Italy and the Netherlands).

Frédérique Potin

In the third podcast Susan Proulx of Leaderboard Branding looked at the international regulatory guidance on pharmaceutical naming. Susan first presented the POCA (Phonetic and Orthographic Computer Analysis) software used to review drug names, which was first developed for the US FDA but is now used by different regulatory authorities around the world. Susan then detailed the drug name review process in different countries and regions (USA, EU, Canada, Brazil, Australia and Saudi Arabia). Finally, Susan outlined useful key points to follow to be as successful as possible with getting a drug name approved.

And so, the first edition of the PTMG@home event concluded. While it was disappointing that circumstances prevented us from getting together in person, PTMG@home afforded us an opportunity to nevertheless connect and share knowledge and experience. Here's to 2021 when hopefully medicine may assist us to connect in person.

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Raw materials and research not similar to pharmaceutical products

Jaimee Spencer-Bickle, Mishcon de Reya LLP

This October 2020 decision of the EU General Court considers whether raw components of pharmaceutical products can be considered similar in themselves to finished pharmaceutical products or to research services. It concluded that they cannot. The decision is also a reminder of the challenges where non-distinctive elements (such as BIO) form a significant part of a mark.

Background

Laboratorios Ern, SA (LE) applied to register the below logo for BIOPLAST BIOPLASTICS FOR A BETTER LIFE in classes 1, 5 and 42 (as an EU designation of an International Registration).

BIOPLAST BIOPLASTICS FOR A BETTER LIFE	BIOPLAK
Class 1: e.g. chemicals for the manufacture of plastics; chemicals used in processable granules for pharmaceutical purposes. **Class 5**: e.g. capsules for medical purposes excluding pharmaceutical products. **Class 42:** e.g. research and design in the field of biodegradable plastics	**Class 5:** pharmaceutical preparations

Biologische Naturverpackungen GmbH & Co (BBN) opposed the application based on its Spanish registration for BIOPLAK covering class 5 pharmaceutical preparations.

Both the EUIPO Opposition Division and the Board of Appeal held that there was no likelihood of confusion and rejected the opposition. The General Court considered the similarity of the marks and of the goods and services, and also found no likelihood of confusion.

Similarity of goods and services

Pharmaceutical products and their components

BBN argued that goods such as chemicals for the manufacture of plastics were closely linked to pharmaceutical preparations, as a necessary raw material for their manufacture. The General Court disagreed and upheld the Board of Appeal's decision that pharmaceutical preparations, as finished products, require no additional human intervention and are primarily distributed directly to the end consumer. This was in contrast to raw materials which required processing and whose distribution channels comprised manufacturers of chemicals and intermediaries in the marketing of the goods. The General Court concluded that the raw materials could potentially be included in the composition of all plastic-based goods and that the relevant public would not be capable of identifying those basic goods as components of the preparations. The Court also re-stated its position that complementary goods are those that are important or indispensable for the use of the other but that goods intended for different publics cannot be considered complementary. It therefore agreed with the EUIPO that 'the mere fact that one product is used for the manufacture of another is not sufficient in itself to show that the goods are similar'.

Pharmaceutical products and development

The General Court also determined there was a low level of similarity between research and development services, and pharmaceutical goods. BBN's submissions that the services may be provided by the same undertakings (namely pharmaceutical laboratories) did not change the fact that the nature, purpose, method of use and methods of marketing differed.

Similarity of the marks

The General Court also agreed with the Board of Appeal that the marks were similar to only a low degree: the prefix 'bio' had a weak degree of distinctiveness in relation to the goods and services in question; the different endings of bioplaK and bioplaST in addition to the figurative leaf and slogan were not negligible; and conceptually, 'plast' was likely to be understood as referring to 'plastics' whereas BIOPLAK had no conceptual meaning.

Likelihood of confusion assessment

In light of the above, the General Court determined that the Board of Appeal was correct to conclude that there was no likelihood of confusion between the marks as the goods or services would not be perceived as coming from the same (or economically linked) undertakings.

Digital transformation & healthcare: A starting point for trade marks

Rachel Wilkinson-Duffy and Paul McKay, Baker & McKenzie LLP

Even for very established pharmaceutical, medical device and/or consumer health brands, transposal into the digital space can come with challenges. The move toward digital health heralds the need for many in the pharma industry to re-align their trade mark clearance, filing and enforcement strategies and to ensure that current protection adequately supports new ventures. Below provides a high-level summary of some of the key trade mark issues worthy of consideration at the outset when expanding into the digital healthcare space:

Additional Classes and Clearance

Digital healthcare products incorporate an array of goods and services centred around connected technologies designed to be used on and/or inside the body. The move to software and hardware related goods and services has shifted the focus from the traditional classes, 5 and 10, to the more tech focused classes 9 and 42. Proprietary software and hardware is often key to a digital healthcare product's functionality and its ability to interface with a connected device, such as a phone. Savvy brand owners can attempt to retain such software goods in Class 10 by classifying them as an integral component of class 10 goods. This is a fine line to walk though and where software, in particular, is intended to be commercialised as an independent product, protection in class 9 will be needed. The challenge there, of course, is that the digital technology boom in all sectors has resulted in class 9 being

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Digital transformation & healthcare:continued

one of the most crowded classes, making clearance for an expanding brand increasingly difficult but essential to mitigating risk.

Depending on the technology involved, clearance of complimentary classes, such as class 38, may also be appropriate to complement the more traditional health related service class 44.

Standard Specifications

Consider whether current specifications still provide adequate protection. Broad historical specifications, where the national registries permit this, will provide some protection for flexibility, but even within the traditional classes some changes to standard specifications may well be needed to ensure adequate protection, particularly in class 10. For products which may have morphed into effectively a different product over time, a review of current registered protection may be needed to ensure it continues to be fit for purpose. In jurisdictions such as the EU where re-filing can be seen as an act of bad faith, care may need to be taken to ensure that a re-filing would not be vulnerable to challenge on grounds that it was merely filed to circumvent use requirements.

Corporate Branding

Special attention should be given to the established portfolios of house marks and corporate branding. In many cases, registered rights may be decades old so classes such as 9 and 42 may not have been considered relevant at that time. Fresh clearance and filing programs may be needed in order to shore up rights and ensure potential infringement risks are flagged in advance for effective mitigation.

Non-traditional marks

Consider if non-traditional trade mark protection would be beneficial, such as 3D shape marks for hardware and sound marks for specific device alerts.

Additionally, design protection should be considered, with particular attention being paid to relevant grace periods in order to prevent any unforeseen novelty destroying disclosures prior to the filing date.

Watching Services

A review of watching services will likely be appropriate to ensure that the scope corresponds with newly directly relevant and complementary classes.

Customs and Online Counterfeit Programmes

An expansion of customs notices and anti-counterfeit programmes to new products may be required, as well as the possibility of additional training for both internal and external teams with responsibility for dealing with notifications.

The above list is clearly non-exhaustive, but will hopefully provide a useful initial starting point on areas likely to require focus.

Exhaustion after the Brexit transition period

John Colbourn, Partner, & Joanne Gibbs, Senior Associate, Wiggin LLP

Regional exhaustion of trade marks and other intellectual rights applies within the EEA (the EU + Norway, Iceland and Liechtenstein). Until recently, the UK has been part of the EEA, but left as a result of Brexit. What does this mean for exhaustion of rights?

The UK formally left the EU on 31 January 2020 and entered into a transition period, governed by the snappily titled 'Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community' (the Withdrawal Agreement). The Withdrawal Agreement provides that existing laws will continue to apply until the transition period ends on 31 December 2020. From 1 January 2021, the transition period will no longer apply.

Goods sold before 1 January 2021

Rights which were exhausted in the UK or EEA before the end of the transition period will remain exhausted. So, for products first put on the market in the UK or EEA on or before 31 December 2020, relevant rights will remain exhausted and those goods will be able to continue to move freely (from an exhaustion point of view) between the UK and EEA after 1 January 2021.

Goods sold after 1 January 2021: imports from the UK into the EEA

As things stand, from 1 January 2021 the EEA will regard the UK as a 'third country' for exhaustion purposes. As such, from 1 January holders of relevant intellectual property rights, such as trade marks, will be able to object to the importation into the EEA from the UK of products first put on the market in the UK, unless consent has been given for those specific products to be marketed in the EEA. The usual evidential requirements will need to be satisfied, such as those set out in case law of the Court of Justice of the EU relating to imports from outside the EEA without consent.

Goods sold after 1 January 2021: imports from the EEA into the UK

Conversely, again as things stand, from 1 January 2021, the UK will be maintaining (at least initially) one-way regional exhaustion, so that goods first put on the market in the UK or the EEA will be exhausted so far as the UK is concerned. As such, holders of relevant intellectual property rights, such as trade marks, will not be able to object to the importation into the UK from the EEA of, or further dealings in products first put on the market in the EEA or UK, unless there are 'legitimate reasons' to object to further marketing. At present, what count as 'legitimate reasons' will follow the case law of the CJEU, including relevant case law on repackaging of pharmaceuticals. However, the UK courts, including the Court of Appeal and Supreme Court, will have power to depart from CJEU case law going forwards. The UK government intends to publish a formal consultation on the UK's permanent exhaustion regime in early 2021.

These changes will affect the way parallel importers can trade, and the way that rights holders may be able to respond to notifications or to becoming aware of imports into the EEA from the UK.

UKIPO amending address for service rules in light of Brexit

Richard May and Andy Holt, Osborne Clarke LLP

In November 2020, the UK Intellectual Property Office (UKIPO) announced an important change to its address for service rules (the AfS Rules) to bring the UK more in line with the EUIPO, the USPTO and many other EU countries. As of 1 January 2021, trade mark owners must provide the UKIPO with a UK, Gibraltar or Channel Islands address (a Permitted Address) for new applications and contentious proceedings in connection with UK trade marks. Accordingly, subject to limited exceptions, the UKIPO will no longer accept an address for service from the EEA for new proceedings. The new AfS Rules will also impact other procedures relating to existing trade mark rights, which are detailed below, but not post-registration maintenance, such as renewals. The new AfS Rules for patents and registered designs largely mirror those concerning trade marks.

The new AfS Rules: key points

1. New trade mark applications - from 1 January, any new trade mark application must include a Permitted Address for service. This applies to new trade mark applications which have been filed claiming priority from an EUTM.

2. Procedures commenced from 1 January - if a trade mark application or registration is challenged on or after 1 January, the UKIPO will require a Permitted Address for service to engage in contentious proceedings from both the trade mark owner and the challenger. The only exception to this is if the challenge is based on a new UK comparable right, i.e., one of the 1.4m new UK trade marks that the UKIPO will automatically create post-Brexit based on existing EUTM registrations, which can retain an EEA address for service.

3. Procedures commenced before 1 January - the new AfS Rules will not apply to pending trade mark applications (unless the application is opposed, in which case see above) or pending contentious proceedings, including oppositions and cancellation actions provided the procedure was commenced before 1 January. Consequently, a UK or EEA address for service can be maintained.

4. Exception for 'comparable UK marks' - comparable UK marks are not immediately impacted by the new AfS Rules. Article 55 of the Brexit Withdrawal Agreement carves out an exception for comparable UK marks and the status quo/EEA address for service rule is maintained for three years until 31 December 2023. In addition, the UKIPO has confirmed a Permitted Address is not required for any new contentious proceedings relating to these comparable marks, even if those proceedings were started on or after 1 January 2021. However, the three-year retention of EEA addresses does not cover comparable UK marks created from international trade marks. From 1 January 2024, the new AfS Rules will also apply to comparable UK marks.

The new AfS Rules were recently put before the UK parliament and, subject to any objection, which seems unlikely, will come into force on 1 January 2021.

Implications for brand owners

The new rules are welcome news for brand owners. As UK law begins to diverge from the EU, UK representatives will naturally be better placed to service brand owner needs and improve the prosecution of cases and foster a more streamlined case handling at the UKIPO.

Designs first disclosed in the UK ineligible for EU unregistered designs protection and vice versa

Richard May, Osborne Clarke LLP

Following lengthy negotiations between the EU and the UK, the EU has recently confirmed that when the Brexit transition period ends on 31 December 2020, designs first disclosed in the UK will no longer be eligible for protection as EU unregistered designs. It is understood that any trade deal that might be agreed between the UK and EU will not change this position. Designs thus become one of the main areas of IP where there will no longer be reciprocity of protection. Brand owners will thus have to be creative in how they use other options to fill the gap after the end of the transition period.

This development is of significance to brand owners that typically first launch products in the UK and rely on unregistered design rights to protect the appearance of products or packaging, e.g. for medical devices. Businesses will now need to think carefully about where they first disclose, or make public, products or packaging. First disclosure in the EU will continue to provide EU-wide unregistered design protection but that won't include the UK. In contrast, first disclosure in the UK will only provide unregistered design protection in the UK.

To ensure robust protection for designs in the UK after the transition period expires, the UK is introducing two new design right regimes: (1) the UK Continuing Unregistered Design (CUD), and (2) the Supplementary Unregistered Design (SUD). The CUD will continue to protect pre-existing EU unregistered design rights in the UK for the remaining part of their three-year term. The SUD is a completely new UK right providing similar protection to EU unregistered design right for designs first disclosed in the UK for a three-year term.

This now confirmed lack of design right reciprocity is likely to create challenges for businesses, particularly those that rely on the automatic protection afforded by unregistered designs (available without incurring any fees or taking any other administrative steps). Businesses will need to weigh up which is more important: UK or EU unregistered protection? Or they will need to come up with innovative ways to try to achieve simultaneous UK and EU disclosure, bearing in mind it will be up to the courts to decide what effect simultaneous disclosure could have under the new regime.

There are also other rights which can fill the gap, such as design registrations or copyright now that it has become more expansive following recent CJEU case law. So options are available to businesses – they will need to use their creativity in considering how best to use those options to protect their valuable designs after the end of the transition period.

International Update

PHILIPPINES

Jose Eduardo T. Genilo,

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On 8 September 2020, the Philippine Supreme Court issued a decision which gives importance to a trade mark that was first to be filed for registration rather than the one with prior use. The case involved the pharmaceutical trade marks ZYNAPSE and ZYNAPS, which the parties admitted to be confusingly similar.

As early as 2004, the ZYNAPS trade mark was being used for a pharmaceutical product involving an anti-convulsant to control seizure disorders. Despite being already available in the market, the trade mark was not registered with the Philippine IP Office.

In 2007, the trade mark ZYNAPSE was filed and registered with the Philippine IP Office by another proprietor. The mark covered medicine for the treatment of cerebrovascular disease or stroke.

The proprietor of ZYNAPSE sued the proprietor of ZYNAPS for injunction, trade mark infringement, and damages (among others). At the trial court level, the decision found that there was indeed trade mark infringement and ordered the payment of damages. On appeal, the Court of Appeal affirmed the finding of trade mark infringement and damages. The case was thus brought up to the Supreme Court; among the contentions raised was that the trade mark registration of ZYNAPSE should be cancelled for being confusingly similar to ZYNAPS which has an earlier date of use.

In resolving the appeal, the Philippine Supreme Court traced the history of Philippine trade mark law. According to the Supreme Court, the old trade mark law emphasized use as means of trade mark ownership. However, the present trade mark law has made a shift and now requires registration as a means to acquire trade mark ownership. With the foregoing interpretation of the trade mark law, the Supreme Court thus made the pronouncement that ownership of a trade mark is not acquired through use. Instead, it is registration that conveys ownership of a trade mark.

This pronouncement seemed to veer away from earlier Supreme Court rulings in the cases of Beris and E.Y. Industrial Sales Inc. which favored the first user rather than the first-to-file. The Supreme Court rationalized the seeming change of stance by pointing out that these two cases involved trade marks under the old trade mark law.

Although the Supreme Court clarified that registration confers ownership of a trade mark, it can nevertheless be cancelled if the registration was obtained in bad faith. Obtaining a registration in bad faith, as explained in the case, includes making false claims to take advantage of another's good will. Thus, the prior-user of a trade mark, but without a registration, may attempt to cancel another's registration by proving the existence of bad faith.

Apart from cancellation, the Supreme Court affirmed that a prior user, but without registration, is still protected from claims of infringement by a registered trade mark owner as this is expressly recognized by the trade mark law.

In resolving the appeal, the Supreme Court thus affirmed the validity of the ZYNAPSE trade mark as the same was the first to be filed as a trade mark application. However, the Court also allowed the concurrent use of the ZYNAPS mark, despite having no registration, as the same had prior-use in good faith.

This decision has been met with dissenting opinion from other Supreme Court justices who emphasize that trade mark ownership is still through use rather than registration. With the varying opinion of justices, the issue on ownership being acquired through prior use or prior registration may likely be seen in future cases.

RUSSIA

PETOSEVIC

Starting from 1 July 2020, all pharmaceutical products for medical use in Russia will have to be labelled in accordance with the federal information system for monitoring the circulation of pharmaceutical products. In order to meet the requirements, each pharmaceutical product will have a unique identifier on its packaging, a Data Matrix code, containing information such as the product's serial number, expiration date, consignment number and manufacturer's name, thus enabling the monitoring of each product's circulation from the manufacturer to the end user.

This system intends to minimize the presence of counterfeit and low-quality medicines in the market, control the prices of medicines and prevent the illegal trade of medicines initially provided to hospitals and other institutions free of charge. The online sale of certain pharmaceuticals was recently allowed in Russia, so the new system will also allow consumers to check the origin of the drug they are buying online.

The drug monitoring system was introduced by the Federal Law No. 425-FZ of 28 December 2017, which brought changes to the Federal Law 'On Circulation of Medicines'. It was first intended to enter into force on 1 January 2020, but the entry into force was postponed until 1 July 2020 by further amendments to the Federal Law 'On Circulation of Medicines' introduced on 27 December 2019.

In order to comply with the new requirements, all entities involved in the trade of medicines (including pharmaceutical companies, hospitals, importers and pharmacies) must obtain the technical equipment for creating the codes and for recording the information that will be tracked by the federal information system. Because of the COVID-19 pandemic and the delays it has caused in the entire sector, many companies are arguing that they have not been able to obtain the necessary equipment and are asking for a delay in the implementation of the new system.

It is uncertain whether the delay will be granted, but the sanctions for failure to comply with the new labelling requirements include fines of up to EUR €3,850 (USD $4,200) and the seizure of counterfeit products. Unlabeled medicines produced before July 2020 may be stored, shipped, sold and used until their expiration date.

RUSSIA

PETOSEVIC

The possibility of tackling a newly filed application in Russia has been and still remains the subject of many queries as there is no proper opposition procedure

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available before the Russian IPO against pending trade mark applications. IP practitioners have always been advised to challenge pending applications with informal observations, which are not binding, but nevertheless often serve the purpose of impeding undesirable filings.

With a recent memorandum of the Russian IPO dated 10 June 2020, informal observations have become slightly more formalized if the newly filed trade mark is similar to an existing company name or trade name. While Russian trade mark legislation provides for challenging a trade mark on the grounds of similarity with a prior company name, IPO examiners have paid much attention to this provision. Also, the Russian IPO does not conduct searches for conflicting company and trade names during the examination process. The recent memorandum now elaborates the means of challenging a pending trade mark application under the existing provisions.

Unlike invalidation actions, which can only be lodged by interested parties before the IPO's Chamber of Patent Disputes (CPD), the memorandum explicitly states that informal observations can be filed by any person. The observations must be filed during the conflicting application's examination, i.e., before the examiner reaches a final decision.

The principles of determining the similarity of a company name to a trade mark are the same as those which generally apply during the trade mark examination process. Only the distinctive part of the company name will be taken into account, and all other indications, such as a 'limited liability company', will be disregarded.

As provided by Articles 2 and 8 of the Paris Convention, 'nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals'. This means that both Russian and foreign companies will have the right to challenge trade mark applications if the trade marks are similar to their company names in Russia – according to Article 8 of the Paris Convention, 'a trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trade mark'.

It is important for the company name to have been registered before the priority date of the challenged application, which must be proven by a company certificate, company register extract, or another relevant document, depending on the company's jurisdiction. The company must also legally exist on the observation filing date.

The company name must be used in Russia in connection with a business activity similar to the goods or services listed in the conflicting trade mark application. The nominal or putative use of a company name will not be considered as a reason to cite the company name as an obstacle to registering a trade mark.

The rights holder must provide evidence of the company's relevant activities in Russia. However, this may not be needed in case the company name is known worldwide, which must be proven.

The same conditions apply to trade names that are not subject to registration but are used to individualize businesses and may also be represented graphically or as combined designations.

Observations however remain informal – the memorandum stipulates that the examiner is not bound by the information provided in the observation and will not request additional documents if the observation is not convincing or if it lacks evidence. The examiner is even free to leave the observation unanswered — however this rarely happens.

Informal observations are becoming an attractive option when challenging pending trade marks, particularly compared to invalidation actions filed before the CPD, which tend to support examiners' decisions and thus make it difficult to successfully challenge registered trade marks. IPO examiners in charge of applications often appear more flexible, which increases the probability of successfully challenging a trade mark application during the examination process.

UKRAINE

PETOSEVIC

Amendments to the Ukrainian trade mark law entered into force on 16 August 2020, as part of a set of laws intended to implement the requirements set out in the EU-Ukraine Association Agreement, synchronize local legislation with that of the EU and ensure legal and linguistic consistency of legal acts regulating intellectual property rights in Ukraine.

Non-Traditional and Collective Marks

The amendments introduce the possibility to register any type of a sign as a trade mark, provided that it is capable of distinguishing goods and services and that it can be represented in the trade mark register in a manner allowing the competent authorities and the public to clearly and precisely determine the scope of protection.

In particular, the new law adds sound marks to the list of signs eligible for registration, which already included colors, product shapes and packaging designs under the previous law. The amended law reinforces the need to update the trade mark register's technical capabilities in order to include different types of marks.

The amendments also introduce collective trade marks, which may be owned by an established association that will be the proprietor of the mark.

Opposition Procedure

The amended law introduced an opposition procedure similar to the one in the EU. Once the filing fee is paid and the IPO establishes that the application meets the filing requirements (including applicant's data, the mark's image and the list of goods and services), it will issue a notification on granting a filing date, and the application will be published in the Official Bulletin and entered into the application database. The data on international registrations or subsequent designations for Ukraine will be published in the Bulletin once the IPO receives the relevant notification from WIPO.

Any person may file an opposition within three months from the application publication date. For national trade marks, applicants may file a response to the opposition within two months from the date they receive the opposition notification from the IPO. Applicants may refute the objections, amend their applications, or withdraw them. For international trade marks, right holders may file a response within three months

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from the date the IPO sends a provisional refusal to WIPO.

Oppositions and responses are considered at the stage of substantive examination, when the application is checked for absolute and relative grounds for refusal. Opponents may file an appeal to the final decision within two months from the date of receiving it.

Previously, oppositions could be filed no later than five days before the final decision on the application is issued, but the law did not include any provisions which permitted opponents to appeal the IPO's decision.

Grounds for Refusal

The amended law also extends the list of absolute and relative grounds for refusal and invalidation.

The new absolute grounds are the following:

- If a trade mark is in conflict with a plant variety denomination registered or applied for in Ukraine, or which was granted protection in accordance with an international agreement to which Ukraine is a party before the trade mark filing date;
- If a trade mark is in conflict with a geographical indication registered in Ukraine or which was granted protection in accordance with an international agreement to which Ukraine is a party before the trade mark filing date, and misleads as to the special quality, characteristics and true origin of the goods;
- If a trade mark is misleading about the nature, quality and geographical origin of the goods and services.

The new relative grounds are the following:

- If a trade mark is identical with or similar to an earlier right, not only in terms of confusion, but also in terms of association;
- If a trade mark is identical with or similar to the extent of confusion or association with a well-known trade mark and designates identical or similar goods or services, or if it designates nonsimilar goods or services but shows a connection with the owner of a well-known trade mark and may harm his/her interests;
- If a trade mark application is filed by an agent or a representative in their own name without the owner's consent, and if there is no evidence to justify such filing and the owner has objected (Article 6septies of the Paris Convention).

Consent to Registration and Use

The amended law establishes that a trade mark identical with or similar to an earlier trade mark can be registered if the owner of the earlier mark gives consent and if there is no risk of consumer confusion.

Re-Registering Trade Marks

The deadline to re-register a trade mark was reduced from three to two years following its cancellation. Trade marks may be re-registered if they were cancelled because they were not renewed in time or if the trade mark owner surrendered the trade mark in full or in part. In these cases, trade marks may also be re-registered by another person if the previous owner gives consent.

Non-Use Grace Period

While the previous version of the law provided for a three-year non-use grace period, the national courts applied the five-year non-use grace period introduced by the EU-Ukraine Association Agreement, which came into force on 1 September 2017. The amended law now explicitly provides for a five-year non-use grace period.

Fair Use

The amended law introduces two additional types of trade mark fair use by third parties:

- Descriptive fair use, referring to the use of a registered trade mark in relation to the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or provision of services, or other characteristics of the goods or services protected by the trade mark;
- Nominative fair use, referring to the use of a registered trade mark in commerce when it is required to indicate the intended purpose of a good or a service, i.e. when it is compatible with or is a spare part of the goods/services sold under the trade mark.

The law also amends the existing provision on trade mark fair use in comparative advertising, specifying that such use must solely be intended for distinguishing goods and services and emphasizing their differences.

UZBEKISTAN

PETOSEVIC

On 1 July 2020, an order of the Uzbek Minister of Health approved a new regulation requiring medical organizations to prescribe medicines using international nonproprietary names (INNs).

This requirement does not apply to persons entitled to preferential outpatient treatment or to prescriptions of medicines containing psychotropic, narcotic and toxic substances, their analogs, or precursors.

A new mandatory prescription procedure is currently being introduced in all medical institutions, regardless of their form of ownership. In the prescription, the international nonproprietary name of the medicine and its composition must be written in Latin, while the physician's instructions regarding the method of use must be written in Uzbek or Russian.

It is forbidden for doctors to issue medical prescriptions if the patient has no medical indications. The following may also not be prescribed:

- Drugs which have not passed state registration in Uzbekistan (with the exception of orphan drugs);
- Medicinal products intended for use only in medical institutions, including drugs used as anesthetics.

The new regulation provides for a blank prescription form and specifies the procedure, including the main abbreviations to be used when writing prescriptions. Prescriptions that are not prepared in accordance with the requirements will be deemed invalid.

PROFILE: Jonathan Jennings

Jonathan Jennings is a partner at the intellectual property law firm Pattishall, McAuliffe based in Chicago. For over thirty years, he has focused his career on trade mark litigation and prosecution matters. As an adjunct professor, he has taught at two law schools. He is active in a number of IP organizations, including INTA where he formerly served as a committee chair and now works on publications. Most notably, he has had the privilege of speaking to his PTMG colleagues, beginning with the Boston meeting in 2006, and most recently at the Spring meeting in Rome. He also regularly contributes the US Update article to the Law, Lore & Practice newsletter.

Where were you brought up and educated?

I was born in Ohio and subsequently lived in Hawaii and Minnesota. At the age of 10, I landed in Connecticut, and spent the rest of my time there until college. I attended Emory University in Atlanta, Georgia, and Trinity College Dublin. I received my law degree from Northwestern University School of Law in Chicago.

How did you become involved in trade marks?

I was introduced to trade mark law as a summer associate at Pattishall, McAuliffe while in law school.

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

If not in another field of law, probably a history professor.

Which three words would you use todescribe yourself?

Engaged, loyal and friendly.

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

History.

What's the best thing about your job?

The interesting people I have the opportunity to interact with from around the world (even through Zoom).

What did you want to be as a child?

Astronaut.

What does all your money get spent on?

Eating out and travel before COVID-19.

What is the soundtrack to your life?

My soundtrack is from my two sons jamming on their guitars, so anything from classic rock to blues and alternative, including their own creations

Who was your mentor or role model?

Bob Newbury and David Hilliard, senior partners at Pattishall who helped to shape my career. They provided two different perspectives on how to find success and fulfilment in the profession. Taking my cues from both of them helped me to find balance.

What car(s) do you drive?

2013 Volvo XC60. Somewhat boring but reliable in Chicago weather.

What is your weakness?

Any fruit pie and single malt scotch, but not a combination of both.

How do you relax?

Lately, I've been getting into yoga. I find watching college football or old movies relaxing too.

Which sport do you play and/or enjoy?

Golf. Racquet sports like squash and tennis. When not in the flat terrain of Chicago, I enjoy hiking.

What is your all-time favourite film?

Lawrence of Arabia.

What is your favourite food dish?

Gnocchi with arrabbiata sauce.

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

I enjoy visiting old cathedrals and churches, such as St. Peter's Basilica, Notre-Dame (in its better days), and St. Patrick's Cathedral in New York City. They are inspiring, spiritual and often examples of great architecture.

What do you wish you'd never worn?

Much of my wardrobe from the 1970s. Photos of me as a kid in corduroy jackets and plaid shirts should be burned.

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