# Law Lore & Practice

PTMG Pharmaceutical Trade Marks Group

Sept 2021


## Editorial: Back to school

Whichever month is synonymous with going back to school, be it January in Australasia or September in Europe, that moment of tipping the family routine back into a familiar schedule is filled with memories for all of us. Last week, we did our very last 'back to school' moment as my son entered his final year of Lycée. A wave of odd emotions overcame me as I watched him saunter off down the path, just behind a crowd of tiny-tots jigging and jogging with excitement and intrepidation at their first day. Each of us has our own recollection of good years, and bad, at school – from classmates to teachers to bus journeys. In many ways, these are the key foundations upon which we build our future selves, both in our personal and professional lives.

This upcoming school year feels doubly extraordinary, and not just because it's my last! As pupils and teachers and admin staff return with a sense of hope that maybe, just maybe, this year will enable full-term learning, some extra curricula activities and school trips too, with as little disruption as possible. The first confirmed case of Covid here just four days into the term put a definite damper on that sense of hope but against all odds, making education a priority will put society back on track come what may. We owe it to our youngsters to ensure that the correct amount of catch-up funding at every level is made available - it is their future. After all, we are going to need them to manage the planet and our lives when we can no longer do so.

The UK Children's Society Good Childhood Report 2021 therefore makes concerning reading since for the tenth year running children's responses to the questionnaire show that 'modern life continues to erode the happiness of young people'. School is only one element of this feeling of dissatisfaction – friendships and personal image of course play a major rôle – but a quarter of a million of the UK's 10 - 17 year olds have not coped well during the pandemic. As adults rush to get their lives back on track, it is vital that we continue to support all those who are still dependant on us for their transition to a happy and successful adult life.

At PTMG, we are keen to get back to face to face conferences but meanwhile hope that you will join us on line on October 7 & 8 for another PTMG@home event – as ever, we are going for 10/10!

**Vanessa**

## US Update


**Jonathan S. Jennings**

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


A new federal court case demonstrates the limits of using trade mark law to curtail social media accounts, posts and comments, in this case in the context of COVID-19. In Arizona Board of Regents v John Doe, 2021 WL 3684116 (D. Ariz. Aug. 18, 2021), the court considered a suit filed by the Regents of Arizona State University (ASU) against an anonymous person posting 'vulgarity-filled' messages on Instagram that encouraged college students to attend ASU parties without masks. The court described ASU as 'a major public university that seeks to use our nation's trade mark laws in novel ways in an effort to combat the COVID-19 pandemic,' and the individual defendant as a 'deeply unsympathetic John Doe defendant.' The reference to 'John Doe' suggests that the true identity of the defendant was unknown in this case.

In the profile associated with this account, the defendant identified himself as 'ASU Coronavirus Parties,' his location as 'Arizona State University,' and his title as 'Event Planner.' The first post on 19 July 2020, used ASU's logo and trade dress and stated: 'No more social distancing. No more masks. It is time to party!' There were eighteen more messages with details about parties and criticisms of the COVID-19 policies of ASU and others. In one message and corresponding comment, the defendant also suggested a relationship with a pharmaceutical company:

> 'We have partnered with an Israeli company to distribute hydrochloroquine [sic]!…
>
> Thank you to our friends from Israel! We have partnered with Teva Pharmaceutical.'

Initially, ASU filed a take-down request with Instagram based on trade mark infringement. Instagram refused to take action because the use of the mark was used 'to refer to or comment on your goods and services.'

ASU then filed suit in federal court and moved for a temporary restraining order. ASU also sued Facebook, the owner of Instagram. Facebook agreed to deactivate the individual defendant's account, and to prevent the account holder from creating new accounts. In return, ASU dismissed Facebook from the case. The individual defendant filed an answer to the complaint, but the court struck it because it was filled with obscenities and ad hominem attacks on ASU and its counsel. The court gave the defendant leave to file a substitute answer. However, the defendant did not do so and did not participate any further in the case. ASU then brought a motion for default judgment in which it sought a permanent injunction which would apply to the defendant's accounts using ASU marks and trade dress on any social media platforms.


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## Words from the Chair

Most of us had hoped to be back to the old normal by now. Whilst in some countries life restrictions are lifted, in others unexpected restrictions are being implemented. If you have tried to travel for leisure lately you have most certainly experienced requirements changing almost on a daily basis. The current situation certainly leaves us with a sense of constant change and uncertainty. If you have travelled for work, requirements still apply, but being able to get back to meeting colleagues and friends in person is wonderful.

As personally I'm going through a major professional change, I have spent the last weeks thinking about lessons learned. But more than anything I have realized that it is the human interactions and collaboration that have shaped my professional life throughout the last fifteen years. PTMG has played a crucial role in maintaining these connections and strengthening relationships. In particular for our new members I hope that despite the fact that we won't be meeting personally this year, they will start to feel the strong sense of community that PTMG creates.

In October we will hold another PTMG@home event and we hope to see many of you there. Whereas we would have preferred to meet in person, restrictions to business travel and the situation in some countries indicated that a virtual meeting makes most sense currently. Once more we have looked for topics of interest relevant to our industry and are sure you will enjoy them.

Let me close by adding that change and uncertainty can feel very uncomfortable, but they also open our minds to new things and may even oblige us to look for innovative solutions. Law is often considered as a conservative field of work. We know better, intellectual property is constantly evolving and particularly now finds itself at the pulse of change - be it by supporting scientific innovation or by adapting legal frame-works to the challenges and opportunities created by artificial intelligence.

**Myrtha Hurtado Rivas**

# Members News

### Moves and Mergers

**Debbie Hallissey** has left Norgine to join PMI in London, UK. Debbie can now be contacted at Debbie.hallissey@pmi.com

**Marie Pusel** has joined Plasseraud IP in Paris, France and can be contacted at pusel@plass.com

**Brigitta Best** has joined Best Rechtsanwälte in Frankfurt am Main, Germany. Brigitta can be contacted at Brigitta.best@best-ip.eu

**Bob Boad** has moved on from Marlow IP Recruitment and whilst deciding on his next challenge can be contacted at boadrobert@hotmail.com

**Luca Colombo** has left Brandstock Legal GmbH to join GJE Germany GmbH in Munich, Germany. Luca can now be contacted at luca.colombo@gje.com

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

**Lesley Edwards**
PTMG Secretary

**PTMG@home**
**3rd Event**
**7th & 8th October**

**Face to face in a virtual world with Artificial Intelligence for IP**

**Tea & Talk sessions**

**Contact Lesley@ptmg.org to register**

# US Update Continued

As is typical for this type of motion, the court deemed all of ASU's well-pled allegations in the complaint to be true.

In turning to the merits of the trade mark and unfair competition claims, the court stated there would be no confusion (initial interest confusion or otherwise) as to the source or sponsorship of the account as the profane posts and comments would clearly indicate they were not authored or sponsored by ASU. The court noted that only one post displayed the ASU logo and trade dress. Other posts or comments criticized ASU's policies, including comparing ASU to Nazis and exhorting readers to 'not let the University intimidate you.' One post from the account of an alumnus seemed to indicate confusion as to source or sponsorship, but the court did not believe a single post was enough to support ASU's claims. Thus, the court denied ASU's motion for a default judgment and did not enjoin the defendant. The court also declined to exercise supplemental jurisdiction necessary to entertain ASU's state-based anti-dilution law claim.

This case demonstrates the difficulty of employing trade mark law to curtail social media accounts that post critical commentary. Courts will look at the 'big picture' in such cases, even with an unsympathetic defendant using a mark to express controversial views. While not explicitly discussed, the opinion arguably is consistent with US law permitting free expression under the First Amendment. Had this case been litigated fully, this issue likely would have come to the fore. The court sympathetically observed that ASU's 'motivations for bringing this lawsuit are understandable,' but it found no basis under the Lanham Act to enjoin the social media accounts.

Social media accounts posting negative comments about pharma companies have become more common. Pharma companies might consider legal action in these circumstances where the accounts prominently use their marks or trade dress, but the likelihood of successfully stopping this use with accounts posting opinion-type commentary is usually low (depending, of course, on the specific facts and circumstances). Such action could inadvertently bring even more publicity to the offensive posts. Here, since Facebook/Instagram agreed to deactivate the account at issue, the ASU lawsuit may have led to the desired outcome at least in part, if not the desired legal ruling applying to any social media account. However, such extra-judicial cooperation is never assured.

# Exhausted? You're not alone...! What next for parallel imports after Brexit?

**Suzanne Power & Ian Gill, AA Thornton**

## Background

1 January 2021 marked the start of a new era for the United Kingdom and European Union. On that date, some four and a half years after the UK voted to terminate its membership of the EU, EU rules finally ceased to have effect in the UK.

Whilst trade mark practitioners across the world were busy grappling with the 1.5 million new cloned registrations that had crept onto the UK register overnight, eyes glazing over at the endless strings of 8s, 9s and 0s, many other key issues were still to be discussed and agreed on between the leadership of the UK and EU.

One particularly sticky issue was, and remains, the movement of goods between the UK and EU, which for the first time in decades would be subject to comprehensive checks, tariffs and duties. The UK would also need to decide what approach it would take to the exhaustion of IP holders' rights in this new landscape.

With the UK government having recently closed its public consultation on the issue of exhaustion of rights, we explore in this article the options under consideration and the potential consequences, particularly for the pharmaceutical industry. The pharma sector is acutely affected by this issue, with parallel imports accounting for potentially 5-10% of total imports of pharmaceutical products.

## The position prior to Brexit

Exhaustion is a restriction on an IP right holder's ability to control the distribution of goods protected by those rights. The basic principle is that once goods are put on the market by or with the consent of the IP rights holder in a certain country, the holder cannot generally rely on its rights to prevent the further distribution or resale of those goods in the same country (under a national exhaustion regime), in the same region (under a regional exhaustion regime), or anywhere in the world (under an international exhaustion regime).

Countries are generally free to choose which exhaustion regime they will apply to incoming goods. Members of the European Economic Area however (EEA – consisting of EU member states plus certain other European countries), must apply rules of regional exhaustion, meaning first sale of a product anywhere in the EEA precludes the IP owner from taking action against parallel imports into any other EEA member state (except under certain circumstances). With the UK no longer being a member of the EEA after Brexit, the rules now need to be redefined. Or do they?

## The current options

At present, the UK is voluntarily continuing to participate in the EEA regional exhaustion regime. This means that the IP rights in goods first placed on the market anywhere in the EEA are considered exhausted in the UK. Therefore, these goods can be parallel imported into the UK without the rights holder's permission. However, the arrangement is not reciprocal; IP rights in goods first placed on the market in the UK are not considered exhausted in the EEA. As a result, the rights holder may stop the parallel export of these goods from the UK into the EEA.

The UK government recently launched a consultation on the issue of exhaustion, inviting stakeholders to submit their views on which regime would be preferable, going forwards. The consultation identified four options as follows:

- **"UK+"**

Under this option, the UK would carry on automatically permitting parallel imports from EEA countries, but not from any others. There would need to be separate authorisation for regulated goods such as medicines.

The UK government indicates that this is the least costly option for businesses reliant on the EEA for supply of goods and raw materials. In particular, the UK's National Health Service is a major purchaser of medicines from EEA countries and makes significant savings from parallel imports. Distributors have tended to be in favour of this option.

- **National**

A national exhaustion regime would mean that the UK would not automatically permit parallel imports from any country.

It appears that the UK government has effectively ruled out this option. The government believes that it would be necessary for goods to be checked at the border between the Republic of Ireland (a member of the EEA and EU) and Northern Ireland (which is part of the UK). However, it has made a separate commitment under the Northern Ireland Protocol to keep an open border between the two countries, meaning no checks.

Some in the pharma sector have also expressed concerns about a national regime. It is thought that trade in parallel imports of pharmaceutical goods amounts to as much as GBP £1bn in the UK, and a minimum of 5% of the total UK pharmaceutical market by volume. Distributors are concerned about medicine shortages, and wastage of products near expiry due to lost opportunities for re-sale. However, others believe that it would provide greater incentive for innovation as IPR holders could maximise profits and investment.

- **International**

Under an international regime, the UK would automatically permit parallel imports from any country (again, provided there is separate authorisation for regulated goods such as medicines).

Opening up the UK market to international exhaustion could in theory provide consumers with greater choice and lower prices. It is thought that parallel trade helped to reduce the prices of pharmaceutical products in Sweden by 12-19% after it switched from a national to a regional exhaustion regime back in the 90s (per Ganslandt and Maskus (2004)). However, industry stakeholders have expressed concerns about domestic shortages arising from a wider market for UK exports, and about a potential need for increased regulatory approvals.

- **Mixed**

Permission for parallel imports would vary depending on the type of IP right, product or sector concerned. This could allow the government to balance out the varying needs of different stakeholders; however, it may be more logistically difficult and bureaucratic to administer, depending on how nuanced the differences are.

## What next?

The UK government does not appear to be prepared to accept a national or mixed regime as it considers these to be incompatible with the Northern Ireland Protocol. The lack of data regarding the impact of an international regime, and opposition to such a regime from many industry groups, makes it seem that the continuation of UK+ would be an easy choice.

However, perhaps there is scope for more thought to be given as to the compatibility of a national regime with the Northern Ireland Protocol. As most parallel imports are identified and challenged at the point of sale, would border checks even be necessary under such a regime? The UK government also does not seem to have fully explored the option of granting parallel trading rights as part of bilateral treaties, i.e., agreeing two-way exhaustion on a country-by-country basis.

As the government now starts to review the responses to its public consultation, one question looms – who will it choose to protect with its new regime?

# International Update

## AUSTRALIA

**Bill Ladas & Molly Flynn, King & Wood Mallesons**

Australia's Full Federal Court has found that use of the trade mark PROTOX by the Self Care (Respondents) infringed Allergan's (Applicant) Registration for BOTOX under section 120 of the the Trade Marks Act 1995 (Cth) (Act), overturning the first instance finding of Stewart J.

The Respondents supplied cosmetic products, including anti-wrinkle skincare products, under the name FREEZEFRAME. The packaging of the FREEZEFRAME products prominently featured the word PROTOX and both the Primary Judge and Full Court held that PROTOX was being used as a trade mark in respect of these products. The Applicants filed a claim against the Respondents for trade mark infringement, on the basis that the Respondents use of the mark PROTOX in Australia had infringed their registered BOTOX mark in class 3. The Applicant also brought various other claims, including claims for passing off, misleading or false representations under the Australian Consumer Law, and for alleged contraventions of the Therapeutic Goods Act 1989 (Cth). This note focuses on the trade mark aspect of the judgment.

In overturning the primary judgment, in which PROTOX and BOTOX were held not to be deceptively similar, the Full Court found that the Primary Judge had erred in failing to consider, in his analysis of deceptive similarity, whether consumers might be caused to wonder whether the marks or underlying products came from the same source; the Primary Judge had instead focused on direct confusion between the marks or products themselves to come to the conclusion that the marks were not likely to confuse.

The Full Court accepted the Primary Judge's findings that the ordinary person would not directly confuse the names PROTOX and BOTOX. These findings were drawn from observations that:

(1) The words PROTOX and BOTOX are distinguished by their first syllable, which is the part of the mark that the consumer is likely to recall (see discussion on VAGISAN in May 2021 edition);

(2) The prefix 'Pro' is a familiar and recognisable element of a word and carries meaning, unlike the prefix 'Bo' which does not have any known meaning; and

(3) Botox is so well known that the differences between the words would be immediately apparent.

The court found, however, that this analysis did not in itself address the question as to whether consumers may be caused to wonder as to the source of the products, and that this was, in line with the statutory context, the underlying test for deceptive similarity.

In rejecting the Respondent's arguments that confusion was unlikely to occur due to the different nature, trade channels and pricing of the products, the Full Court made the following comments at [43] 'Some consumers are likely (in the sense of a real and tangible danger or risk) to have wondered whether PROTOX was an alternative product being offered by those behind BOTOX, perhaps targeted to those who did not like injection or who wanted the convenience of a home treatment. Some consumers are likely to have wondered whether PROTOX was developed by those behind BOTOX as a topical treatment to be used in conjunction with Botox treatment, perhaps to improve or prolong results.'

For completeness, the Full Court also found that the Respondent's use of the phrase 'instant Botox® alternative' was an infringement of the Applicant's registered BOTOX mark. The claimed statutory defences, including based on comparative advertising, were not made out.

The decision follows closely on the heels of our earlier case note regarding the finding of VAGISAN being deceptively similar to the earlier mark VAGISIL in the opposition context (from a differently constituted Full Court, again overturning Stewart J's first instance decision).

## EUROPEAN UNION

**Frédérique Potin & Hélène Choquet, Simmons & Simmons LLP**

On 30 June 2021, the General Court issued a decision finding a likelihood of confusion between two identical marks for PANTA RHEI despite the low degree of similarity between the goods in Classes 3 and 5.
https://euipo.europa.eu/copla/trademark/data/W01393404/download/CLW/ECJ/2021/EN/20210630_T-501_20.doc?app=caselaw&casenum=T-501/20&trTypeDoc=NA

The Court found that the 'pharmaceuticals, dietetic food supplements for medicinal purposes, nutritional supplements, non-alcoholic beverages adapted for medical purposes for the prevention and curative treatment of eye diseases, and non-alcoholic dietetic beverages for medical purposes' designated by the application in Class 5 were similar to the 'cosmetics' in Class 3, taking into account the following factors:

- their ultimate benefit for the consumers, and
- the coincidence in their distribution channels.

### Pharmaceuticals and cosmetics

The Court acknowledged that pharmaceuticals and cosmetics were similar to a low degree. It considered that despite the difference of the intended purpose of the goods in comparison, 'a product, while having a medical purpose, can also have cosmetic effects'. It gave the example of a medicated cream, which like a cosmetic cream, can have effects on the appearance of the skin. The Court also considered the partial overlap between the points of sale noting that both goods are sold in pharmacies.

### Dietetic food supplements for medicinal use, nutritional supplements and cosmetics

The Court also found that these goods were similar to a low degree stating that 'while the primary objective of the supplements in question is to balance nutritional deficiencies, their use could

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result in various effects on the appearance of the skin' and concluded that these supplements could also have a cosmetic effect.

In addition, it considered that both goods could be sold in pharmacies.

**Non-alcoholic dietetic beverages for medical purposes and cosmetics**

The Court admitted that these goods were similar to a low degree considering that both can have the effect of improving the appearance of the body.

**Non-alcoholic dietetic beverages for medical purposes and cosmetics**

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**Non-alcoholic beverages adapted for the prevention and curative treatment of eye diseases and cosmetics**

The Court ruled that the above-mentioned goods were similar to a low degree. The Court agreed that the purpose of the contested goods differs from that of cosmetics, considering that the former constituted a very narrow category which could not be included in that of cosmetics. However, it stated that both goods may ultimately have the same benefits, namely an improvement in physical appearance and health benefits. In addition, it took account of the fact that those goods are sold via the same distribution channels, in pharmacies.

**Comment**

This decision confirms EUIPO's approach that similarity between goods which do not have the same intended purpose can nevertheless be found if the goods 'ultimately' provide the same benefits. Similarity will however remain to a low degree.

It also illustrates that despite such a low degree of similarity between the goods, a likelihood of confusion may be found in particular when the signs are identical or highly similar.

## EAEU

**PETOSEVIC**

The Agreement on the Eurasian Economic Union Trademarks, Service Marks and Appellations of Origin, signed on 3 February 2020 by all five EAEU member countries –Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia, entered into force on 26 April 2021, following the recent ratification by all member states.

The EAEU Trade mark Agreement is a fundamental document contributing to the formation of a regional, unified trade mark system. As announced on the Eurasian Economic Commission (EEC) website, a set of instructions outlining procedural rules for the implementation of various provisions of the agreement will be approved in the nearest future.

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

## CIS

**PETOSEVIC**

On 28 May 2021, the members of the Commonwealth of Independent States (CIS – Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan) signed the Agreement on Cooperation in Prevention and Repression of the Use of False Trade Marks and Geographical Indications, which is intended to replace the existing Agreement of 4 June 1999.

The new Agreement updates and expands the existing regulatory framework for the Parties' joint planning and implementation of measures to prevent, detect, and repress the production and sale of goods bearing false trade marks and geographical indications. The Agreement also foresees other forms of cooperation including the exchange of relevant information, promotion of joint research in the field of industrial property, and organization of seminars and conferences.

The provisions of the 1999 Agreement have also been updated because Russia, Tajikistan, and Kazakhstan acceded to the World Trade Organization (WTO) over the last decade – in the new Agreement, the Parties that are WTO members reaffirm their obligations set forth in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), while non-WTO members commit to following the principles and rules set forth in the TRIPS Agreement.

The new Agreement will enter into force 30 days after the third Party deposits a written notification about its fulfillment of domestic procedures necessary for the Agreement to enter into force. For the Parties that fulfil their domestic procedures later, the Agreement will enter into force 30 days from the date they deposit their written notifications.

## INDIA

**Ashwin Julka and Udayvir Rana, Remfry & Sagar**

Restrictive lockdowns or not, the menace of counterfeiting has only risen during the pandemic – in fact, Class 5 goods have been even more prone to misuse during the current global health crisis. Notably, however, the courts in India have acted swiftly to halt such misuse – the judgment discussed below is a case in point.

Aventisub LLC & Anr. v Healing Pharma India Pvt. Ltd. & Anr. COMIP was a case where the Plaintiffs (Aventisub LLC and Sanofi India Ltd. – part of the Sanofi Group) came across the Defendants' (Healing Pharma India Pvt. Ltd. and D.M. Pharma) trade mark application for a label containing the mark ALLERGEGRA – a word nearly identical to Sanofi's well-known anti-histamine drug for the treatment of allergies ALLEGRA. Market

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enquiries into the business activities of the Defendants revealed they were using the mark ALLERGEGRA for four drug variants – strengths of 120mg and 180mg, a 'M' version and a suspension form – Sanofi's ALLEGRA too is sold in respect of the same variants. Plus, the defendants' packaging/trade dress also matched Sanofi's packaging for ALLEGRA. Sanofi group instituted a lawsuit for infringement of its trade marks, copyright as well as passing off before the High Court of Bombay.

Sanofi stated that the mark ALLEGRA was adopted in the year 1995 and introduced in the year 1996 internationally and in 1998 in India. Its first Indian registration for ALLEGRA was shown to date back to 1997 and Sanofi also asserted copyright in the distinctive artwork used on the packaging. Further, annual sales turnover figures as well as details on promotional expenditures with regard to the ALLEGRA brand were furnished to demonstrate that the mark ALLEGRA as well as its distinctive colour packaging had acquired immense goodwill and reputation to become well-known amongst the relevant public in India. On the very first hearing, the court recognised mala fide intent on the part of the Defendants and granted an ex parte ad-interim injunction in favour of Sanofi. It also appointed a Court Commissioner to inspect the addresses of the Defendants, sans any notice, and seize all infringing products under the mark ALLERGEGRA.

The Court Commissioner carried out the commission and several infringing pharmaceutical products were seized. On 1 March 2021, the Court passed a final decree in favour of the Sanofi group, permanently injuncting the Defendants from using the ALLERGEGRA mark (including variants) as well as its associated packaging/trade dress which violated Sanofi's proprietary trade marks and copyright. Moreover, the court directed the Defendants to deposit a monetary fine of INR 75,000 (approximately USD $1,000) in favour of a charitable institution and ordered the destruction of all seized products, at the cost of the Defendants.

The strict judicial stance re counterfeit drugs, regardless of operational hurdles, including any in respect of search and seizure operations, on account of the pandemic, is noteworthy.

## INDIA

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

The Serum Institute of India (hereinafter, referred to as SII) is the largest manufacturer of vaccines in the world by volume. Its vaccine candidate, Covishield – which has been developed in partnership with Oxford-AstraZeneca is a prominent and integral part of India's vaccination programme.

SII's path to launch the vaccine, however, was not smooth sailing and was fraught with a few legal troubles. Prior to the vaccine being made available for public consumption in December 2020, another pharmaceutical company, Cutis Biotech filed a suit of passing off against SII claiming that they were the prior adopters of the mark COVISHIELD. Cutis Biotech had filed an application for registration of mark COVISHIELD on 29 April 2020 in respect of pharmaceutical and other related products in class 5. SII had filed an application for the same mark in respect of vaccines on 6 June 2020. Thus Cutis Biotech contended that they are the prior adopters of the mark, their channels of trade were similar and therefore, the application of SII should be rejected and an order of injunction must be passed in their favour. To counter the same, SII placed cogent documentary evidence to show use of the mark COVISHIELD post filing, regulatory approvals it had obtained etc.

The Court rejected Cutis' interim application on the ground that the period of usage of the mark by them was insignificant to establish goodwill or reputation in the mark and therefore the question of SII taking advantage of the same doesn't arise. The Court noted that the products of the rival companies as well as trade channels were different. Furthermore, not only were the products being used for different purposes but also differed in visual appearance. The Court considered the extensive material placed on record by SII in favour of their case and refused to grant an injunction in the matter. It held that SII's vaccine is already being sold in many countries and that any injunction at this stage for restricting the sale of the vaccine would be detrimental across the globe and would disrupt the vaccination programme.

Aggrieved by the order, Cutis Biotech filed an appeal in the matter which was decided on 20 April 2021 by a division bench of Bombay High Court. From the evidence placed on record, it came to light that SII had coined the mark COVISHIELD in the month of March 2020. The Court also noted that SII had widely publicized its vaccine programme in the media and had continual use of the mark without a break - by supplying almost 48 million doses to the Government of India.

Therefore, the Court dismissed the appeal and held as follows: 'After evaluating the evidence on record, we find that Serum Institute had coined the word Covishield and took substantial steps towards its development and manufacture. Thus, there is adequate and convincing material on record to demonstrate the prior adoption of the mark by Serum Institute. There is no perversity in the finding that Cutis Biotech cannot claim to be a prior user of Covishield'.

The Court also held that the mode of administration of SII's vaccine was through an injection, the same were not sold over the counter but will be administered through Government Agencies whereas Cutis' products i.e., sanitizers/disinfectants were over the counter products. Visually also the products are different. Owing to the same and the disparity in trade channels, the Court held that the likelihood of consumer confusion was unlikely. The Court also commented on the lack of bonafide intent on the part of Cutis Biotech who had filed a second trade mark application for the same mark in respect of vaccines, exactly two days after a government brochure on Covid-19 mentioned SII's Covishield vaccine.

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# International Update continued

The Court held that balance of convenience lay in favour of SII and restraining the use of the mark COVISHIELD by SII would lead to irreparable loss and injury and disrupt India's massive vaccination programme. The appeal filed by Cutis was thus dismissed.

## KAZAKHSTAN

### PETOSEVIC

On 1 January 2022, Kazakhstan will start implementing mandatory digital labelling of medicines. The implementation stages will be determined by the Kazakh Ministry of Health.

At the moment, a pilot project is taking place allowing pharmaceutical companies to test the labelling process before it becomes mandatory. Four Kazakh pharmaceutical manufacturers, one importer, two distributors, five pharmacies and eight medical institutions, as well as the state-run medicine distributor SK-Pharmacy LLP are taking part in the project. Almost 100,000 packages of medical products have been digitally labelled since September 2019, when the project was initiated.

The obligatory digital labelling system aims to ensure better quality control and transparent circulation of medicines throughout their life cycles. The system also intends to minimize the presence of counterfeit medicines in the market. Finally, importers and manufacturers will be able to monitor the supply chain and anticipate and prevent drug shortages.

Within the framework of this project, information about medicines is entered into the Information System for Labelling and Traceability of Goods, after which the system generates a Data Matrix code for each medicine containing digital information about the manufacturer and importer, the serial number of the batch of medicines and other information necessary to control the movement of the drug. The Data Matrix code cannot be forged due to cryptographic protection.

## PAKISTAN

**Mohammad Fazil Bharucha, Bharucha & Co.**

After the accession to the Madrid Protocol in February 2021, Pakistan has finally entered the system with effect from 24 May 2021, allowing international trade mark owners from member countries to designate Pakistan and also facilitating trade mark owners in Pakistan to file International Applications using the Madrid System.

After accession to the Madrid Protocol, IPO-Pakistan has established help desks to assist the applicants in Pakistan and the Trade Mark Registry acts as Office of Origin as well as an office of the designated Contracting Party.

## RUSSIA

### PETOSEVIC

On 21 June 2021, the Russian IPO introduced the official fee of EUR €23 (USD $27) for the issuance of a paper copy of a letter patent, a certificate of registration, or their annexes. If this fee is not paid and a paper copy is not requested, applicants will receive documents in electronic form only.

The new official fee follows the introduction of electronic registration certificates and letters patent on 17 January 2021.

## UKRAINE

### PETOSEVIC

As of 6 May 2021, the .UA Domain Name Dispute Resolution Policy (UA-DRP) will become applicable to the following Ukrainian district-specific third-level domain zones: <.KYIV.UA>, <.KIEV.UA>, <.IVANO-FRANKIVSK.UA>, <.IF.UA>, <.POLTAVA.UA>, <.PL.UA>, <.UZHGOROD.UA> and <.UZ.UA>.

There are around 40,000 domain name registrations in the <.KYIV.UA> and <.KIEV.UA> zones, making them the most popular Ukrainian regional domain zones. The number of domain name registrations in the domain zones relating to the cities and districts of Ivano-Frankivsk, Poltava and Uzhgorod is around 6,000.

The UA-DRP is a domain name resolution mechanism similar to the UDRP (Uniform Domain-Name Dispute-Resolution Policy). The proceedings are administered by the WIPO Arbitration and Mediation Center. For a complaint to be successful, the following must be proven:

- The complainant's trade mark is identical or confusingly similar to the domain name;
- The domain name registrant has no rights or legitimate interests in respect of the domain name in question; and
- The domain name is registered and/or used in bad faith.

The remedies available to the complainant are the domain name cancellation or its transfer to the complainant.

The UA-DRP procedure cost is equal to the UDRP procedure cost and ranges from EUR €1,315 (USD $1,500) to EUR €4,385 (USD $5,000). The UDRP procedure usually lasts 60-75 days.

When it entered into force on 19 March 2019, the UA-DRP was only applicable to second-level domain names in the .UA country-code top-level domain (ccTLD). On 19 December 2019, the UA-DRP became applicable to domain name registrations in the most popular Ukrainian domain zone, <.COM.UA>. The upcoming extension of the policy on 6 May 2021 confirms plans for the UA-DRP's gradual extension to other Ukrainian domain zones.

Since the UA-DRP became effective, the WIPO Arbitration and Mediation Center considered almost 40 cases, and there are three pending cases at the moment.

# Importance of nature of goods while assessing trade mark similarity in Turkey

Gökçe İzgi & Yoncagül Celebi Moroglu, Moroglu Arseven

As in many other national systems, in Turkey when a trade mark application passes the absolute grounds examination, it is published in the Bulletin and third parties can file oppositions against the application. One of the frequently used opposition grounds is - not surprisingly - likelihood of confusion.

**Risk of confusion**

Under Turkish Law, the risk of confusion is recognized where the trade marks are the same or similar and they cover the same or similar goods and services.

In this regard, when deciding whether to reject a trade mark upon a third-party opposition, the Turkish Patent and Trademark Office (TPTO) considers:

- whether the application is the same or similar to the opponent's trade mark, and
- whether the goods and/or services covered by the application are the same or similar to those covered by the opponent's trade mark.
- whether the later application causes a likelihood of confusion among consumers.

When examining whether the compared goods and/or services are the same or similar, the TPTO looks into their subclasses. The Office's examination is grounded in the classification list, prepared in accordance with the Nice Classification system.

In accordance with established practice:

- goods and services that are covered by the same sub-classes are considered to be the same or similar.
- however, the fact that the goods and services are covered by the same classes does not necessarily mean that there is a risk of confusion.

In some exceptional cases, the later application can also be refused as a result of a third-party opposition even though it is filed in different classes, if there is a close relationship between the goods and services for which the earlier trade mark is registered. In other words, classification of goods and services under different class numbers does not directly mean that there is no relationship between them.

**Pharmaceutical trade marks**

When it comes to pharmaceutical trade marks, the TPTO has a rather strict approach. It carries out the similarity test meticulously, and in a slightly different way to its regular similarity test method.

When evaluating trade mark similarity, the TPTO finds it important to determine whether the trade marks are derived from INNs, or common terms that are used in the relevant field of study. In order to recognize confusing similarity, it seeks a level of similarity that is close to being identical.

Aside from general rules, the TPTO and the IP Courts are more likely to find similarity where the trade mark formations are longer - having three or more syllables – or where they have the same syllables at the beginning and the end – with only one or two sound differences in the middle. Furthermore, if these trade marks also cover goods in the same sub-classes, it is almost a no-go case for almost all kinds of trade marks and in particular for pharmaceutical trade marks.

As a rule, the similarity assessment is based on the average consumer that the trade mark addresses. Therefore, determining the correct average consumer group is crucial to assess the likelihood of confusion. Nice Class 5 is a problematic class in respect of consideration of the likelihood of confusion among trade marks as it includes a wide variety of goods covering healthcare, personal care and hygienic products. From this point of view, it is possible to say that some of the goods like personal care products – such as hygienic products, vitamins or dietetic supplements - under Class 5 are aimed at consumers with average attention while others such as pharmaceuticals and medical devices are aimed at healthcare professionals. When evaluating the similarity of goods and services regarding pharmaceuticals, the TPTO is inclined to accept the target group of consumers as being users who are well-informed with a high level of attention.

In Turkey, in general all pharmaceuticals are required to be sold on a prescription basis. If a product is not classified as prescribed, it is deemed to be a non-prescription pharmaceutical. Turkey does not define OTC products in the pharma regulations. However, it is possible to say that non-prescription pharmaceuticals are effectively equivalent to OTC products.

The IP Courts take pretty much the same approach as the TPTO. However, the Courts are more likely to consider whether the product is prescribed or not.

**Nature of the goods**

During the risk assessment between these kinds of trade marks, determining the nature of the goods that are covered by the registration is always important. When comparing drugs, it is easier to determine the nature and the target group in accordance with their summary of product characteristics. However, there are medical products designed to deliver drugs – provided without drugs, and with drugs combined (drug filled syringes), and medical products that contain as an integral part a substance which, if used separately, can be a medicinal product and which are aimed at acting on the human body that qualify as medical devices. These different kinds of products bring different target consumer groups and different channels of trade. Even though these very varied groups of medical products coincide in the same Nice class, the risk of confusion is not always the same. That is to say paracetamol containing drugs and vaccines are considered to be coinciding under the same Nice class, though it is almost impossible to confuse them.

Similarly, in a recent case, the TPTO decided to the reject a trade mark covering only vaccines in Class 5 upon

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# Turkey continued

the opposition of a third party having a trade mark registration for the Class heading, namely the same sub-class that vaccines cover. When the decision was further challenged before the IP Court, the IP Court made an interesting decision by departing from a commonly applied rule of Turkish trade mark practice and taking into account the type of vaccine.

When conducting the test for risk of confusion, the actual use of the trade marks is not the primary focus of the examination. However, in its decision the Court stated that the trade mark opposed consists of a Latin prefix that refers to a specific area where the vaccine is used, and it also refers to a specific timing for the administration of the vaccines (the opponent's trade mark also carried the same prefix and covers vaccines). The Court further stated that vaccines for the specific target group of patients are applied within the scope of vaccine policies, they are strictly prescribed by the doctors, and even though it is possible to obtain them through pharmacies (with a prescription) they can only be administered at health institutions, by health workers and the administration of vaccines is monitored and tracked. Therefore it is right to conclude that a health worker can sufficiently distinguish these trade marks within the average time allocated to distinguish one vaccine from another.

**Further decisions expected**

It is good to see that instead of applying the general rule directly, the Court has taken into account the limited specification of the application. However the decision of the Court is not final, and it is being challenged before the Regional Court.

Considering that vaccines are a very hot topic in our lives and there are plenty of Covid-related trade mark applications for vaccines, it will not be a surprise to see a parallel decision in this regard. Especially as policies on Covid vaccines are more strictly regulated, we are very curious see further decisions.

# Functional foods and trade marks

**Jessica LeGros, Baker & McKenzie**

Functional foods are a major trend, likely accelerated by the global pandemic, which also poses some interesting trade mark issues including that of similarity between nutritional supplements and foodstuffs. A research report by Mintel states 'demand for healthy food and drinks has increased as COVID-19 has made healthy eating a higher priority to reducing the risk of chronic diseases. The desire to stay healthy will keep consumers engaged with immune-support products, even after the pandemic has subsided'. The current size of this functional foods market sits about USD $200 billion, with predictions of 7.5% annual growth over the next 10 years.

**What is meant by functional foods?**

Functional foods are food or beverage products that contain added vitamins, minerals, pro or pre-biotics, fibre or other substances designed to improve or increase their nutritional profile. Traditional foods companies, health and wellness companies, and pharmaceutical and consumer health companies are all converging in this space.

**Foodstuffs v dietary supplements**

In UK and European trade mark law, nutritional and dietary supplements (class 5) and foods and beverages (in Nice classes 29, 30, 31 and 32) are still usually considered dissimilar. This means that, for brand owners operating in the functional foods sector, it may be hard to prevent others from using a brand that might otherwise encroach on their rights in either the dietary supplement or foods sector, even as consumers are becoming more used to seeing these products as aligned to both foods and wellness companies.

It is well established that in order to determine whether goods are similar to each other, relevant factors include: the nature and purpose of the goods, their distribution channels and where they are sold and whether they are made by the same types of companie, how they are used, or whether the products are in competition with each other.

In this analysis, consumer purchasing behaviour is, or should be, a key factor. Do consumers set out with the intention to buy one product, and then perhaps substitute for the other? Are they looking in the same place in the retail environment for goods of these types? Are they fulfilling the same function for the consumer? Increasingly, for functional foods, the answer should be 'yes'. The purpose of the goods (both nutritional supplements and functional foods) is arguably to increase the nutritional profile of consumable products; they are both sold in general retail outlets, online or at wellness-focussed stores, and more and more often, they are made by the same types of companies (or by companies that are operating in both sectors).

Most UK and EU trade mark case law, however, firmly differentiates these goods, and is less likely to find a risk of confusion between brands registered for foods or for supplement goods. In Naked Whey DBA Naked Nutrition v Bojan Krzic, an EU IPO decision from May 2020, the owner of a NAKED NUTRITION mark registered for dietary supplement goods failed to prevent the registration of a NAKED PLANET (device) mark for food goods in classes 29 and 30. Despite evidence adduced of the blurring of the line between foods and nutritional supplements, and information about the operation of both companies in the wellness space, the fact that one product is designed primarily to meet a medical need, and the other as a food, and that they are often found in different aisles of supermarkets, was enough to reject this argument. This line of reasoning has been applied in subsequent EUIPO opposition decisions, including Siniq Ltd v Oerlemans Foods Siemiatycze Sp. Zoo from February this year.

**Wait and see…**

We will have to wait to see whether the changing marketplace for functional foods and consumer purchasing trends will impact the legal analysis of similarity. In the meantime, smart producers of both wellness products and foods will consider whether registrations in both class 5 and the foods and beverage classes are warranted.

# PROFILE: Myrtha Hurtado Rivas

Myrtha Hurtado Rivas joined Novartis International AG in 2016 to lead the Legal Brand Protection funcion across all Novartis divisions, i.e., Sandoz, Novartis Pharma and Novartis Oncology, globally. She is also the founder and executive producer of Leaderching, a podcast in Spanish and English which covers topics around leadership and diversity.

Myrtha is involved in various IP associations, in particular she is the Chair for INTA Anti-Counterfeiting Committee, Chair of the ECTA WIPO link Committee and our very own Chairwoman since March 2021.

***Where were you brought up and educated?***

I spent the first years of my childhood in Southern Germany, moved to Peru and spent six years there and finally moved to Switzerland at the end of primary school. So my education was very diverse and led to me being able to speak German, Spanish and French at an early age.

***How did you become involved in trade marks?***

After giving up my aspirations in diplomacy and international organizations, I was looking for a job where I could use the skills I had acquired. I ended up joining the Swiss Intellectual Property Office as a Trademark Examiner and since then my interest in IP has grown continuously.

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

My first professional interest was focused on diplomacy. I completed a Masters Degree of Advanced Internal Studies at the Diplomatic Academy of Vienna. It was a wonderful experience. On the other hand working in this area didn't fulfill my need for dynamic interactions and short time lines for visible results.

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

Passionate, reflective, family focused.

***What do you do at weekends?***

I love to exercise in many different ways, so I spend a part of my weekends outside. I love to sew and spend a lot of my weekends on new outfits and lastly I really enjoy reading.

***Complete the sentence: If I have time to myself …***

I meet with family and friends!

***Complete the sentence: I'm no good at …***

Skiing but I still love it.

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

Meeting people from all over the world.

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

A fashion designer

***What is your favourite work of art?***

A painting called Alter Ego that I purchased in Vienna and that reflected my state of mind at the time of purchase.

***What is the soundtrack to your life?***

Vivir la vida

***What do you dream of?***

Being able to see my family from overseas more often.

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

Inequalities and unfairness.

***If you weren't completing this interview, what would you be doing right now?***

Enjoying breakfast on an Italian piazza.

***What is a common misperception of you?***

That I'm not accessible..

***What is the best age to be?***

The one you are right now.

***What's the toughest thing about your job?***

Making assumptions about what is expected from you, but really doing your best whilst being yourself.

***Who was your mentor or role model?***

My parents and a close friend during my teenage years. My parents migrated to Europe at a time when being a Latin-American in Europe wasn't easy and common; they showed us that hard work, perseverence and honesty go a long way. My friend taught me that being true to myself was the best way to be authentic and to achieve your dreams.

***Which book changed you?***

The Life of Pi

***What music is in the CD player in your car / what is your iPod set to at the moment?***

Peruvian salsa – reminds me of my roots

***How do you relax?***

Exercising and reading!

***What is your favourite food dish?***

Aji de gallina – a Peruvian dish

***Which is your favourite restaurant?***

Osaka, a Japanese-Peruvian restaurant in Lima.

***What is your favourite drink?***

Pisco Sour – it must be Peruvian Pisco though.

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

Guggenheim Museum – irrespective of the art displayed the building itself is just marvellous.


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