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PTMG Pharmaceutical Trade Marks Group

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Editorial: On Friendship

Christmas is the time for sending greetings cards to friends around the globe, both old-fashioned ones with envelopes and more eco-friendly e-cards. So what is friendship and why do we continue this tradition ?

Facebook® has brought its own brand of friendship to the forefront of our lives where a click can be enough to feel that someone is responding to our thoughts and mood. Explaining to my teenage son that in order to meet up with a long-distance friend when I was his age, we had to plan ahead, send a letter, wait for the reply and hope that our plans would not have changed in the meantime was met with a look that made me feel I had fallen in from the Ice Age. And yet good friendship is built on patience, the understanding of the needs of others and a resolve that distance will not adversely affect the relationship.

The French 16th century writer Michel de Montaigne wrote 'I love a friendship that flatters itself in the sharpness and vigour of its communications' and I am tempted to tweet this quote to all NATO leaders as they prepare to celebrate the 70th anniversary of the organisation. International organisations need to evolve as events and circumstances put such friendship to the test of time. Thankfully, PTMG has managed such an evolution over 50 years and it is heart-warming to review past editions of LL&P and note how many times Profile candidates refer to the importance of friendship among the members of our Group.

Here's hoping that friendship is at the heart of your festive season!

Vanessa

US Update

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

Seeking relief by summary judgment before the Trademark Trial and Appeal Board (TTAB) of the United States Patent and Trademark Office is difficult in the best case, and even more so when the issues are not clear-cut. The case of Allergan, Inc. v Gems Style Inc., Opp. No. 91241842, 2019 WL 5294892 (TTAB Oct. 17, 2019)(non-precedential), demonstrates this point.

Allergan, owner of the registered BOTOX mark for its well-known pharmaceutical preparations, moved for partial summary judgment on likelihood of confusion grounds against Gems Style's use-based application to register GS GEMS STYLE HAIR BOTOX for a variety of non-medicated hair care treatments - with 'style hair botox' disclaimed. The TTAB noted that 'summary judgment is an appropriate method of disposing of cases in which there is no genuine dispute as to any material fact, thus allowing the case to be resolved as a matter of law.' (citing Fed. R. Civ. P. 56(a)). Gems Style had admitted in the pleadings that BOTOX was a famous mark. Consequently, the TTAB noted that Allergan's BOTOX mark 'is entitled to a broad scope of protection, and the admitted fame of the mark is a dominant consideration in balancing the DuPont factors.'

To establish likelihood of confusion under the standard DuPont factors, Allergan asserted consumers would perceive the goods as coming from the same or related sources. To bolster its position, Allergan relied on the prosecution history of an earlier unsuccessful application by Gems Style to register BOTOX standing alone, in which the Examining Attorney found that the parties' goods may be perceived as emanating from a single source. The TTAB rejected this evidence, remarking that a prior Examining Attorney's decision was not binding. The TTAB did not even refer to Gems Style's earlier application to register BOTOX on its own as suggesting a bad-faith intent to target Allergan's mark. Gems Style offered no clear explanation as to why it needed to reference BOTOX in the first place, or the rationale for its disclaimer of 'style hair botox'.

Allergan also offered evidence of some overlap in trade channels, as approximately 20 medical spas purportedly offer both hair-related goods and services and BOTOX treatments. Gems Style responded that Allergan did not show that enough medical spas offered both types of goods, that Internet evidence showed Allergan's goods to be 'expensive and purchased by sophisticated Certified Physicians at Certified Aesthetic Clinics,' and that the visual differences between the marks were significant.

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Non-Use Defence in Litigation Proceedings in Turkey

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Our May 2019 article in LL&P focused on the non-use defence in opposition proceedings. This time we will be concentrating on the non-use defence in court proceedings. Article 25/7 of the Industrial Property Code (IPC) regulates invalidation actions and Article 29/2 regulates infringement actions regarding trade marks. Both articles refer in their last paragraphs to Article 19 foreseeing the procedures for the non-use defence. Article 19 of the IPC governs the non-use defence in opposition proceedings. Accordingly, the mechanism of a non-use defence can be applicable for invalidation and infringement actions.

In invalidation actions based on confusing similarity, the non-use defence may be claimed by the defendant similar to proceedings before the Turkish Patent and Trademark Office (the Office). The plaintiff must prove use of the trade mark that the court action relied upon within the previous five years, starting from the filing date of the court action. This mechanism has also been incorporated into court actions. The main reason behind this is to avoid earlier trade mark owners abstaining from filing oppositions where this defence is implemented and therefore bypassing such a defence mechanism by only filing court actions once the younger trade mark is registered.

If the trade mark that a court action relied upon has been registered more than five years before the contested trade mark's filing or priority date, the plaintiff must also prove the use of its trade mark within the previous five years. If the plaintiff fails to prove that the trade mark was effectively used in Turkey or if the justified reason for not using the trade mark is not proven, the request for invalidation will be partially or entirely dismissed.

In infringement actions, if the defendant requests proof of use, in accordance with Article 29/2 the plaintiff must prove the use of its trade mark within the previous five years from the filing date of the court action.

The non-use defence, both in invalidation and infringement actions can be asserted according to general procedure rules determined in the Turkish Procedure Law numbered 6100. As per the Turkish Procedure Law, upon filing the invalidation or infringement action the plaint petition and its exhibits are notified to the defendant. Once the plaint petition is notified, the defendant must submit a response petition within two weeks. In that response petition the defendant must allege the non-use defence so that the court then orders the plaintiff to submit evidence supporting the use of the trade mark(s) relied upon. But the IPC provides a period of one month for submitting proof of use evidence, so these two provisions are contradictory.

Since the non-use mechanism is regulated as a defence, the courts do not have the authority to ex-officio request proof of use from the plaintiff. A decision regarding trade mark use shall be made at preliminary examination stage before hearing the case on the merits if the defendant asserted the non-use defence. In practice, we see that most judges do not render such decisions regarding non-use defence at the preliminary examination phase. The courts refer to experts for evaluation of trademark use. The court may choose to appoint one expert or an expert panel and based upon their evaluation, the judge then renders a decision on the merits.

It should be noted that in case the defendant applies for such a defence mechanism, and if the court concludes that the trade mark is not used and therefore dismisses the request for invalidation or infringement actions, this would not automatically cause the revocation of the plaintiff's trade mark. However, the defendant is entitled to file within two weeks a counter-action requesting the revocation of the plaintiff's trade mark.

Due to the technicality of the pharmaceutical sector, usually the courts appoint an expert panel consisting of three experts. The experts are required by the court to provide opinion merely on the technical points within their specialist area and not on the merits of the case. Consequently, based on parties' submissions, evidence and the expert review of the file, the court delivers its judgment at the last hearing and within a couple of months the reasoned decision is drafted.

As to proving trade mark use - invoices, price lists, catalogues, product codes, products, packaging, signboard visuals, advertisements, promotions and their invoices, marketing surveys, opinion researches, information about the commercial activity and any additional documents or statements regarding Turkey can be submitted to the courts.

While assessing genuine use the court shall take different factors into consideration. For example, time, place, nature, extent of use and use for the goods/services for which the trade mark is registered should be examined. All evidence submitted to the file should be explicitly linked to the trade mark, dated and should demonstrate genuine trade mark use in Turkey.

Under Turkish regulations, pharmaceutical products should obtain a marketing authorization from the Turkish Ministry of Health to be sold only in pharmacies and marketed to healthcare professionals. Such marketing authorizations can be applied for only by entities or real persons residing in Turkey. Advertising of pharmaceuticals to the general public is prohibited. Therefore pharma companies can only promote their products to healthcare professionals which can present difficulties when proving use. Brochures, presentations, documentation regarding scientific meetings held in relation to their products and any other kind of documentation is important in this connection.

Another hurdle is the fact that often the entity owning the marketing authorization in Turkey and the trade mark owner are not the same. In such cases, the trade mark owner should explain the connection with the local entity and submit extensive documents showing that the local entity is using the trade mark in Turkey.

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It is particularly important to submit invoices issued by the local entity. Experts appointed by the court often seek to find the link between the two entities; invoices and commercial books of the local entity showing that the product bearing the trade mark has been sold in Turkey are relevant. If invoices and other documents proving the use of the trade mark are issued by another entity, even if this entity is affiliated to the trade mark owner, the courts may not directly accept such evidence. Therefore it is important to submit license or sublicense agreements or franchises and/or merchandising agreements in order to prove the relation of the companies and the use of the trade mark.

In a recent case, experts examining the invoices of the local entity stated that they could not determine whether the amounts shown in the invoices submitted to the case file were recorded to the commercial books of the local entity as well. Hence evidence showing the sale of the product by the local entity might not suffice to convince the court that the trade mark has been genuinely used by the trade mark holder or by an authorized representative.

Other documentation can also support that the trade mark has been used. For example, the maximum sale prices of pharmaceuticals are set by the Ministry of Health and are published in the Ministry's official website as well as the number and date of the marketing authorization of the product. This information is available to the public and may be used as evidence supporting the retrospective use claim.

Although non–use defence is a new concept in invalidation and infringement actions, IP courts and experts appointed by the court are experienced in what documents should be submitted since revocation actions based on non-use were regulated before the IPC in Decree No. 556. Therefore, while assessing this defence, the courts take into consideration such elements as the lack of advertising material or the possible justified reason for a pending marketing authorization from the Ministry of Health.

Opportunities in Medical Cannabis in Germany

Margret Knitter, SKW Schwarz

The legalization of medical cannabis in 2017 has turned into an attractive destination for related businesses. New business perspectives have opened up; however, anyone wishing to do business with cannabis should be familiar with its complex legal framework.

Medical marijuana has been legal in Germany since March 2017. Since this date, doctors have been able to prescribe cannabis flowers and extracts from cannabis to seriously ill patients. The number of patients receiving cannabis on prescription has increased rapidly, triggering a genuine demand for domestic growing and importation and thus offering a great opportunity for innovative business models. However, it should be noted that, under German law, medicinal cannabis products are subject to both pharma and narcotics legislation with accordingly high requirements on product quality, import and distribution.

The domestic growing of cannabis is managed and controlled by the Federal Cannabis Agency (Cannabisagentur) set up by the Federal Institute for Drugs and Medical Devices (Bundesinstitut für Arzneimittel und Medizinprodukte, BfArM), as the competent regulatory authority whose main task is ensuring a high quality of cannabis produced in Germany. Home growing, even for medical purposes, remains prohibited and production can only be carried out by companies selected by the Cannabis Agency in a government bidding process.

The first successful tender procedure was completed in May 2019. The tender covers a total of 10,400 kg of cannabis, spread over four years with 2,600 kg each. It is divided into 13 lots of 200 kg per year. This means that the first contract has been awarded for the cultivation and harvesting of a total of 7,200 kg of cannabis and is expected for the fourth quarter of 2020.

The total production will be bought up by the Cannabis Agency and subsequently resold without profit to pharmaceutical manufacturers, wholesalers and pharmacies holding the required licenses. Until the next bidding process is initiated, the growing of cannabis remains reserved only for those that have been already selected by the Cannabis Agency.

Additionally, supply of cannabis products to patients will be covered by imports. Importation of cannabis requires several narcotics and pharma legislation-related licenses and authorizations. In particular, any company wishing to import cannabis products into Germany has to apply to the Federal Opium Authority, a sub-unit of the BfArM, for a narcotic trade license; the applicant must have a registered office in Germany and has to provide specific documentation, inter alia relating to the persons in charge, who must have the required expertise, as well as relating to the local production plants, which must be secured against unauthorized removal.

Finally, it should be mentioned that violations of the applicable narcotics legislation may result in severe criminal sanctions. Still, if the licensing proceedings mentioned above are observed, the legalization of cannabis offers great opportunities for innovative business models.

In this context, cannabis manufacturers should consider protecting their brand as a trade mark. To note that in Germany trade mark protection for recreational cannabis is not possible because the retail of it would constitute an infringement of the Narcotic Drugs Act (Betäubungsmittelgesetz - BtMG). This is why the German Patent and Trademark Office for the time being only accepts trade mark protection for marketable cannabis. A typical list of goods and services would include the following items: 'cannabis for medical purposes' (Class 5), 'foodstuffs containing marketable cannabis' (class 29), 'marketable cannabis plants' (Class 31), 'smoking articles for the use of marketable cannabis' (class 34), 'retail of marketable cannabis' (Class 35).