

enough to repel a non-use cancellation action, which allowed the proliferation of defensive marks. The new law has set a more stringent use standard; to avoid lapsing, a trade mark must be used in connection with the goods and services covered by the trade mark or in connection with related goods or services, even if they belong to a different class. Although the TMO has not yet issued the procedural rules for non-use cancellation and invalidity actions, according to the regulatory decree of the Trade Mark Law, the general rules of the Administrative Procedure law will be applicable until the TMO issues a special proceeding.

### Trade mark renewal

No changes have been introduced to trade mark renewals. Applicants must still continue to submit a sworn statement of use indicating that the mark has been used within the five years preceding the renewal expiration date and specifying the goods or services on which it was used. Use of a mark for goods or services in a different class is valid to renew such mark in another class. However, according to the new rules, if the mark has not been used in relation to the goods or services covered by the registration or on related goods or services, it will be at risk of partial cancellation for lack of use. The TMO has also allowed the renewal of trade marks within 6 months prior to the expiration of a registration or up to 6 months after the expiry date.

### Final thoughts

More than a year has passed since the new law was issued and in general, the changes have been well received by the trade mark community as most amendments appear to be positive and are in line with international standards.

At an operational level, the TMO is working to shorten the prosecution of straight forward applications, and we should begin to see some progress in the coming months.

On the opposition side, we are at the initial stages of the process as the TMO has not issued any decisions so far, although they anticipated that they will follow the principles derived from existing court decisions.

Nevertheless, despite the fact that implementation of the new law took longer than expected, we remain optimistic once processes are streamlined and more resources are assigned to the TMO. Overall, the benefits of the new system will translate into a reduction of prosecution costs and a simplification of opposition, cancellation and invalidity proceedings, thus upgrading and modernizing the Argentine trade mark system.

## Can sedative tablets acquire a reputation?

Tomasz Szambelan, Kochanski & Partners, Poland

On 19 March 2019 the Administrative Supreme Court (SAC) issued an award in the case between BIOGARDEN TABLETKI USPOKAJAŃCE and TABLETKI USPOKAJAŃCE LABOFARM which requires a reconsideration of all evidence by the Polish Patent Office (PPO) and a comprehensive assessment of all relevant circumstances affecting the risk of confusion, including whether the earlier trade mark is a trade mark with reputation.

The case is relevant because it concerns trade marks which contain the word elements 'sedative tablets'. In addition, the word element LABOFARM is an element of the opponent's company name and the BIOGARDEN element is very similar to the word BIGGARDEN, which is also an element of the opposing company name.

### Background

On 12 March 2014 the PPO granted protection to BIGGARDEN Sp. z o.o. for the word mark BIOGARDEN TABLETKI USPOKAJAŃCE for goods in Class 5. On 29 September 2014, the opponent (LABOFARM) filed an opposition, indicating that he had a right of protection for the word mark TABLETKI USPOKAJAŃCE LABOFARM also for goods in Class 5. The opponent had been operating on the market since 1988 and had been marketing a renowned medicinal product with the same name for 20 years. According to the opponent, the compared trade marks were used to designate similar goods and the compared trade marks were similar. What's more, in the 1980s, the term 'sedative tablets' could be regarded as generic to indicate use of a medicinal product but after a period of uninterrupted use for the last 22 years, that term had acquired secondary meaning. LABOFARM pointed out that until 2013 there was no product on the market other than its product marked in this way.

The opponent also argued that the contested trade mark takes advantage of the reputation of the opposing trade mark; that the contested trade mark had been applied for bad in faith and finally that BIOGARDEN TABLETKI USPOKAJAŃCE may be misleading to the relevant public. The PPO dismissed the opposition. In the opinion of the PPO, the compared trade marks have different elements, and the identical term TABLETKI USPOKAJAŃCE contained only a general informational element, which for the relevant public will be information about the product, its type and intended use. The term BIOGARDEN in the contested trade mark does not evoke the term LABOFARM in the opposing trade mark. Those elements constitute imaginative and distinctive elements in the compared trade marks and determine their distinctive character. Furthermore, the PPO pointed out that the opponent had not proved that the term sedative tablets had acquired a

secondary meaning. In the opinion of the PPO the opponent does not have a registered trade mark in these words as TABLETKI USPOKAJAŃCE does not have any distinctive character. In addition, the PPO held that there were no grounds for considering that the application had been made in bad faith.

An action to the Administrative Court was brought by LABOFARM. This first instance Court held that the PPO had not made an incorrect assessment of the similarity of the trade marks. However, it found that the PPO had failed to carry out a complete analysis of the evidence and, as a result, failed to fully establish the risk of confusion as a fundamental ground for invalidation of the contested trade mark. The PPO failed to analyse the evidence relating to the reputation of the opposing trade mark with the earlier priority. Consequently, the Court reversed the contested decision.

### The award of the SAC

The owner of the trade mark BIOGARDEN TABLETKI USPOKAJAŃCE brought an action to the SAC. The court stated that the action could not be upheld because it lacked justified grounds. The SAC agreed that the PPO had failed to analyse the evidence concerning the reputation of the opposing trade mark. A correct interpretation of the provisions referred to requires, at the outset, that it be determined whether the earlier trade mark has the status of a trade mark with a reputation and, if so, that the similarity be assessed using other, much more mild criteria.

Moreover, in the opinion of the SAC, the facts of the case were not established in a correct and exhaustive manner by the PPO. Following the Court's award, the case must be re-examined by the PPO.

### Conclusion/Comment

Now the PPO must examine whether TABLETKI USPOKAJAŃCE LABOFARM is a trade mark with reputation. Undoubtedly, proceedings before the PPO are entering the most interesting phase because establishing the reputation of the opponent's trade mark will require the opponent to collect and present necessary evidence.

At the same time, it should be stressed that the aforementioned judgements do not directly refer to the fundamental issue of whether a word mark such as TABLETKI USPOKAJAŃCE LABOFARM should be registered as a trade mark at all. It is also questionable whether a trade mark containing the term 'sedative tablets' could acquire a reputation. If the PPO decides that the trade mark TABLETKI USPOKAJAŃCE LABOFARM cannot be deemed as a trade mark with reputation, it would undoubtedly be disadvantageous for the opponent.

# A little evidence can do a lot.

Allister McManus & Chris McLeod, Elkington & Fife LLP, UK

The UK Intellectual Property Office (UK IPO) has upheld an application for a declaration of invalidity confirming a likelihood of direct confusion between the marks Cephalus and CEPHALON in class 5.

<https://www.ipo.gov.uk/t-challenge-decision-results/o43819.pdf>

This decision is notable for the Hearing Officer's (HO) assessment of the case law and principles relating to genuine use, particularly EU trade mark (EUTM) registrations, and the standards of evidence that the UK IPO will accept to demonstrate genuine use and a reputation under section 5(3) of the Trade Marks Act 1994 (TMA 1994).

## Background

Cephalon, Inc. (the invalidity applicant) filed an application for a declaration of invalidity (invalidity application) under Section 47 of the TMA 1994 against a UK trade mark registration for the mark Cephalus owned by Mohammed Aslam (the UK trade mark owner), based on the invalidity applicant's earlier EUTM registration for the mark CEPHALON.

The UK trade mark owner's later registration for Cephalus covered class 5 'Pharmaceutical preparations and substances; Pharmaceutical preparations for human use'. The invalidity applicant's earlier EUTM registration for CEPHALON covered a broad range of goods in classes 5 and 42, namely, 'pharmaceutical and veterinary preparations'. However, the invalidity applicant stated that it had only used the mark on 'pharmaceutical preparations' and 'pharmaceuticals, bio pharmaceutical, and speciality pharmaceuticals for use in human medicine'.

The invalidity applicant argued that there was a likelihood of confusion under Section 5(2)(b) of the TMA 1994, because the marks CEPHALON and Cephalus were similar and covered identical or similar goods and services. The invalidity applicant also argued that its earlier EUTM registration for CEPHALON had a reputation under Section 5(3) of the TMA 1994 in relation to 'pharmaceutical preparations' and 'pharmaceuticals, bio pharmaceutical, and speciality pharmaceuticals for use in human medicine'. The later UK registration for

Cephalus would therefore take unfair advantage of, or be detrimental to the distinctive character and/or repute of its earlier EUTM registration.

The UK trade mark owner filed a counter-statement denying the invalidity applicant's claims and requested that the invalidity applicant provide proof of use of its earlier EUTM registration which had been registered for more than five years before the date of the invalidity application.

The invalidity applicant filed evidence and evidence in reply in the form of witness statements and exhibits, which included evidence of use purporting to show that the mark CEPHALON had been in use in the UK since 1987, namely, pictures of the mark on various pharmaceutical products and UK sales and accounts figures. The UK trade mark owner filed submissions arguing that the invalidity applicant's evidence was insufficient to demonstrate proof of use of the earlier CEPHALON mark. The UK trade mark owner also argued that there was a discrepancy in the invalidity applicant's evidence regarding the ownership of the invalidity applicant's UK company, which meant the invalidity applicant could not rely on the evidence of use. The UK trade mark owner also argued that the product images did not demonstrate genuine use because the packaging showed use of another mark in addition to CEPHALON, and that CEPHALON merely identified the medical license holder.

Neither party requested a hearing, and opted instead to file written submissions in lieu of a hearing. The HO therefore based the decision solely on the papers filed by the parties.

## Decision

The HO provided a detailed analysis of the law governing sections 47, 5(2) and 5(3) of the TMA 1994, and a detailed analysis of the invalidity applicant's evidence and evidence in reply, the parties' submissions and the case law and principles relating to genuine use.

The HO referred to Arnold J's summary of the case law and principles relating to use in *Walton International Ltd & Anot v Verweij Fashion BV* [2018] EWCH 1608 (Ch) (28 June 2018). As the invalidity

applicant was relying on an EUTM registration, the HO also referred to the territorial scope for use of an EUTM noted in *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11. The HO then noted Arnold J's subsequent review of the case law following *Leno* in *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, and the differing approaches taken to the question of what geographical extent is necessary to show genuine use of an EUTM registration. The HO stated that it 'will depend on whether there has been real commercial exploitation of the EUTM...sufficient to create or maintain a market for the goods...in the Union...'. In paragraph 45, the HO confirmed that 'use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient'.

The HO dismissed the UK trade mark owner's argument that the evidence of use could not be relied upon, noting that the evidence and evidence in reply had shown a clear relationship between the invalidity applicant and the UK company. There was clear 'consent' under section 47 (2B) of the TMA 1994, which did not need to be formalised or documented.

The HO noted the case of *Collosum Holdings AG v Levi Strauss & Co.*, Case C-12/12, as 'sound law' regarding whether use of a mark in a different form constitutes genuine use. The invalidity applicant's use of the CEPHALON mark as a word or in combination with a device was therefore acceptable and it could rely on this use.

The HO then dismissed the UK trade mark owner's argument that use of two marks on product packaging did not amount to use of CEPHALON. The HO confirmed that 'a business is not limited to using only one trade mark on their goods', and 'it is not uncommon for businesses to use their house mark on all goods...and to use secondary marks to identify sub-brands...'.

As to whether the invalidity applicant had shown genuine use of the earlier CEPHALON mark, the HO confirmed that the evidence showed a list of products and total sales which amounted to several million pounds. However, the

## OBITUARY: David Tatham

HO noted that the evidence was 'far from complete', as there were no invoices or images of products bearing the mark that could be identified within the relevant use period. Nevertheless, the HO was satisfied that the invalidity applicant had done enough to demonstrate use in the UK, which the HO noted was sufficient for an EUTM. The HO then went on to decide a fair specification and noted that the invalidity applicant's product descriptions - tablets or creams for the treatment of particular conditions in humans - fell within the meaning of 'pharmaceutical preparations'. Based on the evidence, the HO was satisfied that a fair specification was class 5 'pharmaceutical preparations; pharmaceuticals for use in human medicine'.

On this basis, the HO analysed the section 5(2)(b) case, and unsurprisingly, considered the marks CEPHALON and Cephalus to be visually and phonetically similar to a high degree and conceptually neutral. The HO noted that the marks coincided in the first six letters CEPHAL, and referred to the important principle established in *El Corte Ingles, SA v OHIM, Cases T-183/02 and T-184/02* that 'the beginnings of marks tend to make more impact than the ends'. The HO found the respective class 5 goods to be identical, citing *Gérard Meric v OHIM, Case T-133/05*, and determined that the average consumer, i.e. medical professionals and members of the general public, would pay a medium degree of attention to the class 5 goods. The HO also determined that the invalidity applicant's earlier mark had a high degree of distinctive character. There was therefore a likelihood of direct confusion, as the marks would be 'mistakenly recalled as each other'.

As the invalidity applicant had succeeded on the first ground, section 5(2)(b), the HO was not required to consider the 5(3) reputation ground. Nevertheless, the HO confirmed that whilst the invalidity applicant's evidence was sufficient to demonstrate genuine use, it fell short of demonstrating a reputation under section 5(3), particularly as it contained no articles or advertising campaigns referring to the CEPHALON mark, or any information on market share.

As some of you may have read, David Tatham OBE, one of the founders of the PTMG, sadly passed away on the 4th of July.

I had the pleasure and honour of working with David between 1985 and 1991 and witnessed first-hand his considerable contribution to the international world of trade marks.

David began his career in private practice, before moving to The Wellcome Foundation and then to Imperial Chemical Industries (ICI), where he became Head of the Trade Marks Department and continued in that role until he retired in 1994.

ICI, often described as the bell weather of British Industry, boasted a significant pharmaceutical division. Such was the success of the pharma business that it was spun out in 1993 to form Zeneca, which in turn quickly merged with Astra AB to become Astra Zeneca Plc. The pharmaceutical industry looked very different then, with many more players, but David seemed to know everyone and he had an uncanny knack of being able to resolve most conflicts. He always said that PTMG meetings were a key forum for settling disputes.

Another of David's great skills (and he had many) was to see the bigger picture. This was never more evident than in relation to the work he did to harmonize the national trade mark laws of the EU member states, the creation of the then Community Trade Mark Regulation and the Madrid Protocol. His ability to negotiate and articulate the greater vision no doubt contributed significantly to the WIPO, EU and domestic legislation that followed and so many of us still rely on.

David's skills as a leader, visionary and someone who could make a difference were recognised elsewhere and during his illustrious career, he also served as:

- President of European Communities Trade Mark Association (ECTA)
- President of the Trade Marks Patents and Designs Federation (TMPDF)
- Director of INTA
- Chairman of the trade marks working group of the Union of Industrial and Employer Confederations of Europe (UNICE)



- Chairman of the trade marks working group of the Confederation of British Industry (CBI)
- Member of the Council of the then Institute of Trade Mark Attorneys (ITMA),

In 1994 he was awarded the Order of the British Empire (OBE) by the Queen for services to industry.

Following his retirement from ICI, David continued to be active in the IP world, as an arbitrator for domain name disputes at WIPO and Nominet as well as acting as a consultant for WIPO, promoting the use of IP in developing countries.

Whilst David gave his all for ICI and the trade mark world, his first love was always his family. David's numerous roles (combined with the fact that the internet was yet to be invented) meant that he was often required to be overseas. Wherever possible David would travel with his beloved wife Jen. They were inseparable and celebrated their 58th wedding anniversary earlier this year.

David was a consummate professional, a loving husband and father and a true gentleman.

**Mark Foreman**

Osborne Clark LLP

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