SteinhauserRijsdijk Advocaten BV

Benelux

The main issues presented by pharmaceutical trademarks in Benelux concern their descriptiveness, the relevant public and parallel imports

Pharmaceutical trademarks raise three specific issues. Firstly, pharmaceutical trademarks often contain a descriptive element referring to either the ailment that they aim to treat or their main active ingredient. Secondly, the relevant public differs from that for ordinary consumer goods. Lastly, parallel imports add another layer of complexity, especially as case law in this regard is constantly evolving.

Descriptiveness

Pharmaceutical companies tend to register trademarks which contain at least one element that refers to the active ingredient or the purpose of use. These elements are often (part of) the Latin term for a certain ingredient or illness. Since use of Latin is very common in medical spheres, the Benelux and EU trademark instances and courts usually consider such use descriptive of the characteristics of the goods or services for which the trademark is registered or for which registration is sought. Such descriptiveness can be problematic for two reasons. Firstly, because it is a ground for absolute refusal of a trademark application, or, if the mark is already registered, ground for invalidation pursuant to Article 2.11(1)(c) of the Benelux Convention on Intellectual Property and Article 7(1)(c) of the Community Trademark Regulation (207/2009), which states that "trademarks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services" cannot be registered or, if registered, are liable to be declared invalid.

Secondly, a (partly) descriptive trademark is in principle weaker; signs used by competitors which consist of identical or similar descriptive elements are unlikely to give rise to a likelihood of confusion, especially in view of the often professional relevant public (see below). Examples of EU and Benelux decisions will illustrate these points.

Refusal to register

The Benelux Office of Intellectual Property (BOIP) refused to register ANTI-ANGIN as an international trademark in Class 5 of the Nice Classification for, among other things, pharmaceutical products because it considered the sign to be exclusively descriptive for products that treat angina. This decision was upheld by the Hague Court of Appeal (January 7 1999). The court held that 'ANTI' was a synonym of 'against' and 'ANGIN' clearly stood for 'angina'. The fact that the word combination contained the element 'ANGIN' instead of 'angina' is insufficient to confer distinctiveness. Therefore, the relevant public would perceive the word combination ANTI-ANGIN not as a trademark, but as an indication of the characteristics of the goods.

Similarly, the Office for Harmonization in the Internal Market (OHIM) refused to register OSTEOCARE as a Community trademark (CTM) in Class 5 for "pharmaceutical preparations, vitamin and mineral and nutrient preparations; all for the prevention of bone deficiency" on the basis of Articles 7(1)(b) and (c) of the Community Trademark Regulation (40/94) relating to the lack of distinctiveness and descriptive character of the marks. The OHIM Board of Appeal affirmed (Case R 1418/2007-2, January 14 2008). Although the complete word combination could not be found in any dictionary, the two elements 'OSTEO' and 'CARE' were identifiable and comprehensible at first glance. 'OSTEO' derived from Latin and meant 'bone', while 'CARE' was an English word with a clear meaning. "It informs the relevant public that the products in question serve to help with bone problems. It thus indicates the nature of the goods and their intended purpose," the board held.

An OHIM examiner and a Board of Appeal also dismissed an application to register BIO-HEP-B in Class 5 for vaccines (Case R 309/2000-3, June 6 2001).

Weak marks

The holder of the International Registration for ECHINACIN for chemical pharmaceutical products in Class 5 filed an opposition against the CTM ECHINAID registered for, among other things, medical and pharmaceutical preparations also in Class 5. The OHIM Opposition Division and the Board of Appeal both rejected the opposition. The European Court of First Instance (CFI) also confirmed that the element 'ECHINA' was descriptive and referred in both marks to the word 'Echinacea' – the Latin name of a plant used for pharmaceutical products and herbal medicines. The court noted that it is common to use the Latin names of plants in relation to drugs and, therefore, the prefix 'ECHIN' referred to the composition of the product rather than to its commercial origin. Next, the court pointed out that "where a mark is composed of a descriptive element, that element cannot be regarded as the dominant element, because otherwise a finding of likelihood of confusion could be based only on elements that cannot be protected as trademarks". Thus, if likelihood of confusion could not be based on the prefix 'ECHINA', this left the suffixes 'CIN' and 'ID', which the court found were insufficient to justify a finding of likelihood of confusion (Case T-202/04, April 5 2006).

On March 3 2008 the BOIP issued a similar decision: Berna Biotech, the holder of the CTM INFLEXAL for pharmaceutical products, serums and vaccines in Class 5, filed an opposition against the Benelux trademark application for INFLURAL for pharmaceutical preparations and substances in Class 5. The BOIP held that the prefix 'INFLU' would most likely be associated with 'influenza' and therefore this element was descriptive. The element 'FLEX' or 'FLEXAL' would most likely be associated with 'flexibel' and/or the flexal virus. The BOIP pointed out that the likelihood of confusion increases with the degree of distinctiveness of the senior mark. In the case at hand, however, both marks contained descriptive elements and thus were not strongly distinctive. Consequently, there was no likelihood of confusion and the opposition was rejected (Case 2000562).

Relevant public

The likelihood of confusion between signs

must be considered in light of the relevant public. The relevant public for pharmaceutical products can be different from that for ordinary consumer goods. Benelux and EU instances recognize that the relevant public will often be more attentive towards pharmaceutical goods as consumers consist of professionals such as doctors or pharmacists and/or patients who will pay specific attention to the medicines that they are taking. This consideration weighed heavily in the Hague Court of Appeal decision to reject the trademark infringement claim filed by Eli Lilly in a case involving Eli Lilly's green and white Prozac capsule and Centrafarm's dark and light green capsule for another anti-depressant. The court held that because the case involved prescription medicines, the relevant public was expected to be attentive. Accordingly, the court concluded that there was no likelihood of confusion (IER 2001/17, November 30 2000).

In the *Galzin Case* (Case T-483/04, October 17 2006), the CFI established that the indication of the product's therapeutic benefits and whether it is an over-the-counter or prescription drug are important factors when assessing the level of attention of the relevant public. The CFI confirmed that in the case of prescription drugs, the "level of attention will generally be higher, given that they are prescribed by a physician and subsequently checked by a pharmacist who delivers them to the consumers". In a recent judgment, the Amsterdam District Court found that the relevant public for prescription medicines is "very attentive"; however, the similarity between the marks (FLUVIRIN and FLURALIN) was so strong that the court cancelled the junior mark (LJN: BD9579, July 9 2008). In the *INFLEXAL Case* mentioned above, it was unclear:

- whether the products in question were subject to prescription; and
- what the therapeutic indication was.

Accordingly, the BOIP held that the attention level of the relevant public should be deemed to be average (rather than high).

Grey imports

Extensive EU case law provides a complex framework for the Benelux courts ruling on the issue of repackaging and parallel importation of pharmaceutical products. While this article cannot cover the topic in detail, the rules set by the European Court of Justice (ECJ) on repackaging are most likely familiar to many of our readers. Accordingly, only one Dutch case is mentioned here: Merck & Co sued BV Euromedica for trademark infringement because Euromedica had repacked and parallel imported medicines manufactured by Merck. Because Euromedica had failed to inform Merck of its intention, the latter was unable to assess whether its product and reputation were damaged by the repackaging. Also, Euromedica had applied its trademark on the new packaging. The Arnhem Court of Appeal found that this was beyond what was objectively necessary to be able to parallel import the products. Accordingly, the court held that Merck had the right to prevent the parallel importation (IER 2004/92, June 15 2004). This judgment is an elaboration of the criteria set out by the ECJ in Case C-143/00 (*Boehringer Ingelheim*, April 23 2002). Euromedica appealed to the Dutch Supreme Court on the grounds that the Arnhem Court of Appeal should not have issued a general injunction because this is in conflict with Article 28 of the EC Treaty relating to the freedom of movement of goods. However, the Supreme Court held that the provision on the exhaustion of trademark rights set out in the First Trademarks Directive (89/104/EEC) and the way this provision has been interpreted by the ECJ in the repackaging case law already reflect the fundamental principle of freedom of movement of goods (NJ 2006/55, April 15 2005). WTR

Paul Steinhauser
Partner
steinhauser@steinhauserrijsdijk.nl

Paul Steinhauser is an IP all-rounder, specializing in patent, trademark and copyright issues. In 1993 he co-founded Steinhauser Hoogenraad Advocaten, the first firm (now dissolved) in the Netherlands to deal solely with IP and advertising matters. Mr Steinhauser is an active member of various professional associations, including MARQUES. He also advises the Dutch government on trademark law as a member of the Committee of Eight.

Milica Antic
Associate
antic@steinhauserrijsdijk.nl

Milica Antic advises on various areas of IP law, especially trademark, trade name, copyright and domain name law. She also specializes in information and communication technology contracts and disputes. Ms Antic has wide-ranging litigation experience. She has written extensively about intellectual property.