

# Trade marks and other types of IPR

In our second article on intellectual property, **Rachel Graham** gives an overview of some more intellectual property rights relevant to pharmacy

**A**fter patents, trade marks are probably the most useful intellectual property right (IPR) for pharmaceutical companies to own. They are also highly relevant to other industries, such as those making luxury goods or food and drink. Trade mark law is relevant to issues such as counterfeiting and parallel importing.

## Trademarks

Trade marks (or brand names) are signs that indicate the commercial origin of goods (or services). That is, they point out to customers that goods sold under a particular brand name come from the same company as other goods sold under that banner.

Companies, therefore, use trade marks to build reputations. That said, it is important to note that trade marks are not indicators of quality per se. A product can still be “counterfeit” or “fake” in a trade mark sense if it is of the same (or even a better) quality than that produced by, or with the consent of, a trade mark owner.

**Registering a trade mark** There are two types of trade mark, registered and unregistered. Registered trade marks are generally better to have than unregistered trade marks. Ownership of a registered trade mark is more easily proved, which is especially useful if selling a business or part of a business, and court actions to restrain others from infringing the mark will generally be quicker and cheaper. Moreover, in some circumstances, the deliberate misuse of a registered trade mark can be a criminal offence, rather than just giving rise to an action in the civil courts.

A company (or other organisation or person) wanting to register a trade mark to have effect in the UK has a choice of methods. First, they can apply to the UK registry (part of the UK Patent Office) for a UK trade mark. Second, they can use what is known as the “Madrid Protocol” to make an initial application to a registry in another country where they have a “real or effective industrial or commercial establishment” and then apply via the World Intellectual Property Organization for an international registration, designating the UK as somewhere they want their mark to be effective. Although trade mark registries do not pass around to each other the results of any searches they carry out (as, for example, do patent offices) this route generally still works out cheaper than applying to several registries separately.

Third, the company can apply to the Office for the Harmonisation in the Internal

Market in Spain for a community trade mark. By doing so the trade mark right will be effective throughout the whole of the European Economic Area (the EU, plus Norway, Iceland and Liechtenstein).

It is important to note that trade marks are registered against categories of goods or services. It is, therefore, possible to have the same mark registered for different types of goods or activities (but see below for limitations concerning “well known marks”).

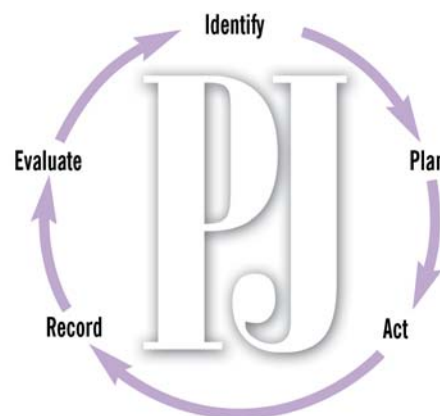
Trade marks can exist for as long they are commercially exploited. For example, the “red triangle” associated with Bass beer was first registered in 1876. Registration needs to be renewed every 10 years, however, and fees need to be paid.

**Requirements for registration** Only “signs that are capable of being represented graphically” can be registered. Words, such as company or drug names, or devices (eg, the target used on Nurofen), clearly meet this requirement. Less obvious “signs”, such as jingles (which can be represented graphically by musical notation) and some shapes can also be registered.

Other requirements for registration include that the trade mark must have a distinctive character and not just indicate the intended purpose of the goods. In other words, marks such as “wart remover” or “asthma treatment” could, generally, not be registered. Everyday words combined in a non everyday manner can, however, support registration, “baby dry” (for nappies), being an often cited example.

Marks that are identical to other marks already in use and that are to be used in relation to identical goods or services can, generally, not be registered. Where an identical mark is to be used on goods that are similar to those covered by the existing mark, or a similar mark is to be used on goods that are identical or similar to those covered by the existing mark, registration is barred only if the public are likely to mistake one product for another (“confusion”) or assume that there is some sort of a commercial link between the two products (“association”). For what are known as “well known marks” (Coca-Cola being the example usually given) extra protection is provided, and other companies cannot generally register that mark (or those similar to it) for any products or services (however dissimilar).

**Infringement** What constitutes trade mark infringement essentially mirrors the requirements for registration (set out above). There is infringement where an identical sign is used for identical goods during the course of a business. There is also infringement where an identical sign is used for similar goods or a



## Identify knowledge gaps

1. What is a trade mark?
2. Given trade mark restrictions, why are parallel imports allowed?
3. What laws protect databases?

Before reading on, think about how this article may help you to do your job better. The Royal Pharmaceutical Society's areas of competence for pharmacists are listed in “Plan and record”, (available at: [www.rpsgb.org/education](http://www.rpsgb.org/education)). This article relates to “legal considerations” (see appendix 4 of “Plan and record”). Competencies for pharmacists in industry or academia are to be published by the end of the year.

similar sign is used for identical or similar goods during the course of a business, provided that there is a likelihood of confusion or association. For well known marks, there is infringement if an identical or similar sign is used in the course of a business (without the need for confusion or association).

Whether marks or goods are similar to other registered marks or goods, and whether similarities could confuse the public, or cause the public to assume association, will depend on the particular circumstances and are issues for the court to decide. For marks, matters such as where the word has been changed can be important — a word with the same start but a different ending from another word is usually more likely to be viewed as similar than is a word with a different start and the same ending.

For goods, the physical nature of the goods, who uses them and how they use them, and how market researchers classify them will be considered. Regarding confusion, the courts will take a pragmatic holistic view. As one judge said: “It must, however, be remembered at all times that the nature of the confusion to be proved is confusion as to origin. The more dissimilar the goods, the harder it will be to prove this form of confusion. For example, the public are not readily going to

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be confused between (say) ball bearings and perfumes no matter how similar the marks." There are several defences to trade mark infringement, some of which are set out below.

**Exhaustion** Once goods are put on the market in one EEA country, the trade mark owner's rights in that particular batch of goods throughout the EEA are "exhausted". This means that another person or company can put those particular goods on the market in another EEA country without infringing the trade mark. For example, if company A puts handbags on the market for £100 each in EEA country Y and for £200 in EEA country Z, it cannot prevent others from buying the products in country Y and selling them in EEA country Z for say, £150, even if it has a registered trademark in country Z and has not consented to its use.

It is this defence that opens the way to parallel importation. It was included in UK trade mark law because of EU rules that promote the free movement of goods throughout the EEA. These rules have gone further and can allow parallel importers to relabel and repack goods (ie, cover up existing trademarks) providing certain conditions are met (eg, labelling standards are followed and notification given to the trade mark owner).

**Own name** It is generally not trade mark infringement to use a trade mark that is your own name (or possibly your company's name). This defence must be used "in good faith" — the courts are unlikely to be impressed by someone changing their name by deed poll to, for example, Coca-Cola with the aim of marketing a soft drink.

**Comparative advertising** It is not trade mark infringement to use another company's trade mark to compare your product with theirs in an advertisement. Again, however, the use of the other mark must be fair.

**Revocation** There are procedures in place for trade mark registrations to be revoked (ie, the mark removed from the register). This might happen if the mark should not have been registered in the first place or if it has not been used commercially during the past five years. Other grounds for revocation include that the mark has become a generic term to describe a category of product, rather than a particular example of that category of products (eg, perhaps "Hoover", "Cashpoint" or "Botox").

### Unregistered trade marks

Unregistered trade marks include brand names that cannot be registered (for example, because they are not distinctive enough) and other aspects of the "get up" of goods such as the design and colour of the packaging. Protection under common law (ie, law that has been built up by judges' decisions and is not set out in statutes) is given to these marks. This prevents others from "passing off" their goods or services as those of the trade mark

owner. Passing off can be difficult to prove. The brand owner must have evidence to show that the get-up under which the particular goods are sold is recognised by the public as distinctive specifically of their goods or service. The brand owner must also show that there has been a misrepresentation to the public, for example, that they are likely to be confused into buying the wrong goods. Therefore, passing off actions are unlikely to be successful against goods that clearly indicate that they are not from official sources (such as, for example, some unofficial football team merchandise).

### Domain names

There is an obvious interaction between trade marks and domain names — companies who have a registered trade mark are also likely to want to own the corresponding domain name (particularly if, for example, the trade mark in question is their company name). Following a period a few years ago in which "cyber squatting" (buying the domain name of a particular company or celebrity in the hope that they will buy it from you for a large amount of money) was rife, rules have now been set up to protect trade mark owners.

Many domain name registries now require applicants to show that they have a legitimate interest in a domain name before accepting the registration. Even those that do not do this require registrants to agree to certain rules and procedures, including those relating to domain name disputes. Under such rules, a domain name must be given to trade mark owners if the trade mark owner can show that the domain name is identical to or confusingly similar to their trade mark, that the person who bought the domain name has no rights or legitimate interest in the domain name and that they have registered and used it in bad faith.

It is important to note that it is entirely possible for more than one company or person to have a legitimate interest in a particular domain name, especially because (as mentioned above) the same trade mark can sometimes be registered against different categories of goods and services.

### Other intellectual property rights

Other IPRs include copyright and design rights. Copyright is what it says it is — the right not to be copied. It protects literary, artistic and musical works. Literary works is loosely interpreted in copyright law and includes fairly short passages of text (but not just a couple of words) and, for example, software codes. Copyright protection for software code is particularly important because the patent laws of EEA countries (unlike those in the US) do not generally cover software.

Databases (eg, patient medication records or information collected from a clinical trial) are also covered by copyright law, providing "sufficient skill and judgment" has gone into compiling the information. In UK law, this is

## Action: practice points

Reading is only one way to undertake CPD and the Society will expect to see various approaches in a pharmacist's CPD portfolio.

1. Read more about how parallel imports and trade mark law. For example, read:
  - "EC asked to rule on parallel imports" *PJ*, 25 March 2000, p457
  - "Importers can repack medicines without breaching trade mark rights" *PJ*, 28 September 2002, p428
  - "Parallel imports can be repackaged" *PJ*, 20 March, p344
2. Next time you are in a pharmacy, pay attention to product packaging. Consider distinctive features for different products.
3. Consider how the availability of parallel imports has affected your practice. What patient concerns are there and how do you deal with them?

## Evaluate

For your work to be presented as CPD, you need to evaluate your reading and any other activities.

Answer the following questions:

What have you learnt?

How has it added value to your practice? (Have you applied this learning or had any feedback?)

What will you do now and how will this be achieved?

interpreted liberally and includes, for example, arranging information in alphabetical order (such as in a telephone book) or date order. The copyright laws of many other countries, however, have stricter requirements and so specific database rules have been brought into force to protect databases throughout the EU. These rules basically protect all databases in which an investment has been made to compile them.

Copyright is infringed when a "substantial part of the work" is copied. What constitutes a substantial part is unclear, but it is a qualitative rather than quantitative measure. Specific rules allow, for example, back up copies of software to be made without infringing copyright.

Copyright protection generally lasts for 70 years from the end of the year of the death of the (last surviving) author. Database rights last for 15 years (from the completion or publication of the database), but substantial updates can start the protection time running again.

Drawings used as a basis for the production of industrial machinery (eg, tableting apparatus) are covered by design rights rather than copyright.

## Conclusion

Building up trade marks is becoming increasingly important to pharmaceutical companies, in common with other industries. Trade mark law is part of the legal framework relevant to this.