



e-News

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International Association for the Protection of Intellectual Property
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AIPPI Bureau

The annual visit of the Bureau of AIPPI to WIPO

(Laurent Thibon, Deputy Secretary General)

The traditional annual visit by the Bureau of AIPPI to WIPO was held on May 27, 2014 and hosted by Francis Gurry, Director General of WIPO. The AIPPI delegation was composed of John Bochnovic, President, Stephan Freischem, Secretary General, Thierry Calame, Reporter General, Laurent Thibon, Deputy Secretary General, Anne Marie Verschuur, Assistant to the Reporter General and Steve Garland, Member of the Programme Committee.

AIPPI Committees

AIPPI report on the availability of injunctive relief for FRAND-committed standard essential patents

(Michael Fröhlich, Chairman AIPPI SC Q222)

The report provides a comparative legal analysis of the availability of injunctive relief for FRAND-committed standard essential patents. It includes a review of over 40 different cases from courts and antitrust agencies around the world and offers a unique insight into the IPR policy discussions in various standard-setting organisations.

AIPPI 2014 Toronto Congress

Two additional lunch-time IP panels at AIPPI's World Congress 2014

(AIPPI General Secretariat)

Extension of the Hague international design protection system — Monday, September 15, 12:30-14:00

The panel will focus on the expansion of the international design protection system. In particular, the expected accession of the USPTO, which has an examining design protection system, and the announcement of accession by other major jurisdictions will significantly extend the scope and attractiveness of international design protection. Opening the Hague system to examining design offices will change the Hague registration system as we know it. The President of OHIM, António Campinos, and Commissioner Hideo Hato from the JPO plan to participate in this panel. We have invited heads of other leading IP offices to explain current developments and plans in their jurisdictions.

Patent law harmonization — Tuesday, September 16, 12:30-14:00

Giant leaps are being made in the field of procedural patent law harmonization. Leading IP offices have created collaborative tools for harmonizing search and examination. At the same time, substantive patent law harmonization seems to be treading water. After thorough discussions of grace period and other key harmonization issues in the Tegernsee studies, the words have to turn into deeds. The panel will inform you of the achievements and continuing efforts in patent law harmonization. The President of the EPO, Benoit Battistelli, and Commissioner Hideo Hato from the JPO plan to participate in this panel, and AIPPI has invited leaders of other major IP offices to participate.

Don't miss to register also for these two lunches. Registration is open at www.aippi.net.

Toronto the "Cool"

(Philip C. Mendes da Costa, Chair Organizing Committee)

Toronto has recently been acknowledged to be one of the "cool" cities. When this is combined with the top notch program that has been planned, this Congress is not to be missed.

AIPPI 2014 Toronto World Intellectual Property Congress, 14-17 September 2104

(The Toronto 2014 Organizing Committee)

The 2014 World IP Congress in Toronto is only three months away, but there is still time to become a sponsor or exhibitor. Check out the great opportunities that are still available in the Sponsorship and Exhibition Brochure at www.aippi.org/download/toronto14/Sponsorship.pdf.

AIPPI Congress News

(AIPPI General Secretariat and Managing IP)

AIPPI is pleased, once again, to be working with Managing IP to publish The **AIPPI Congress News** - the dedicated daily newspaper for the 44th World IP Congress being held in Toronto, 14-17 September 2014.

Forthcoming Events

June 2014: ECTA 33rd Annual Conference, 18-21 June 2014

(ECTA)

The 33rd ECTA Annual Conference will take place this year in Alicante (Spain), 18-21 June, 2014. This conference on Trade Marks and Designs will celebrate the 20th Anniversary of the European Community Trade Mark. More information is available at www.ecta.org.

July 2014: JPO: Tegernsee Symposium — focused on Grace Period, Tokyo, July 10, 2014

(JPO cooperation with AIPPI and FICPI)

The results of extensive studies of Tegernsee member IP offices (JPO, USPTO, EPO, UKIPO, DPMA, INPI, DKPTO) on substantive patent law harmonization have been published in May 2014 as the “ Consolidated Report on the Tegernsee User Consultation ”. Based on these studies, the JPO will hold a symposium in cooperation with AIPPI and FICPI. Lectures by experts from IP offices and user groups, as well as a panel discussion, will identify and advance the most pressing harmonization issues. Please click here for registration information.

November 2014: FICPI 15th Open Forum, Barcelona, 5-8 November 2014

(FICPI)

The FICPI 15th Open Forum in Barcelona will take place on 5-8 November 2014. More information is available at www.ficpi.org.

Articles and notes

Australia: Pain relief for innovators — Australia cements its reputation as being a favourable jurisdiction for pharmaceutical patent owners

(Matthew Swinn & Caroline Ryan, Corrs Chambers Westgarth, Melbourne, Australia)

Australia’s Full Federal Court has broadened the scope of an existing interlocutory injunction restraining the supply of pregabalin products in Australia, signalling that there is now very little scope for a generic company to successfully defeat an interlocutory injunction, even in relation to products that are “skinny-labelled” for a non-patented indication.

Ecuador: Proposed new, comprehensive IP law in Ecuador with further restrictions on patent prosecution

(Maria Cecilia Romoleroux, Corral Rosales Carmigniani Pérez, Quito, Ecuador)

SENESCYT, an Ecuadorian Government entity, has advertised a draft of a comprehensive new Intellectual Property Law, which introduces restrictions for the patentability of products in the pharmaceutical and biotechnology fields.

France: Tobacco trademarks and ban on tobacco advertising

(Tougane Loumeau, avocat à la Cour, Gide, Loyrette, Nouel, Paris, France)

Every year, on 31 May, the World Health Organization marks World No Tobacco Day. This is an opportunity to report on French law and recent case law pertaining to certain legal aspects of trademark law applied to tobacco products.

UK: Threats and regrets in the UK

(Susan Snedden, Maclay Murray & Spens LLP, Edinburgh, UK)

UK legislation prohibits the making of groundless threats of patent, design and trade mark infringement, except in limited circumstances. This causes difficulties for IP rights-holders and their advisors. The Law Commission has proposed legislation changes to redress the balance.

UK: Court of Appeal reverses Trunki Community Registered Design decision

(Charlotte Scott, Hogarth Chambers, London, UK)

The Court of Appeal of England and Wales handed down its decision in Magmatic Ltd v PMS International Limited, finding that the Kiddee Case did not infringe the Claimant’s Community Registered Design (“CRD”) for the iconic Trunki children’s suitcase. balance.

U.S.A.: **Raging Bull** Copyright Infringement Claim is Not Knocked-Out by Laches Defense, U.S. Supreme Court Holds

(Seth I. Appel, Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP, Chicago, Illinois, U.S.A.)

The battle over *Raging Bull*, the critically-acclaimed motion picture starring Robert DeNiro as boxing champion Jake LaMotta, will continue in the U.S. courts. The U.S. Supreme Court recently held that the equitable defense of laches (unreasonable, prejudicial delay in bringing a lawsuit) cannot bar a copyright infringement claim brought within the three-year statute of limitations provided by the Copyright Act. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, ___ S.Ct. ___, www.supremecourt.gov/opinions/13pdf/12-1315_ook3.pdf (2014). Therefore, the Court held that Paula Petrella, whose father wrote the screenplay on which the movie was based, could proceed with her action for damages going back three years, despite waiting 18 years to file suit.

U.S.A.: Cancellation petitioner prevails upon misrepresentation claim despite lack of U.S. trademark use or registration: *Bayer v Belmora*

(Phillip Barengolts, Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP, Chicago, Illinois, U.S.A.)

The U.S. Trademark Trial and Appeal Board canceled a registration of the mark FLANAX on the ground that the owner of the U.S. registration misrepresented the source of the goods sold under the mark.

U.S.A.: The U.S. Supreme Court Makes it Easier for District Courts to Award Attorney's Fees in Patent Litigation

(Joshua B. Goldberg, Nath, Goldberg & Meyer, Alexandria, Virginia, U.S.A.)

The U.S. Supreme Court recently decided to grant more discretion to the U.S. district courts in determining whether a specific patent litigation is so "exceptional" as to permit an award of attorney's fees to the prevailing party. *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, ___ S.Ct. ___, www.supremecourt.gov/opinions/13pdf/12-1184_gdhl.pdf (2014). Therefore, the Court remanded the case for a determination of the proper attorney's fees to be rewarded to Octane Fitness, the prevailing party.

AIPPI Bureau

[The annual visit of the Bureau of AIPPI to WIPO](#)

(Article by Laurent Thibon, Deputy Secretary General)

The Bureau of AIPPI traditionally visits WIPO each year. This year, that visit was made on May 27, 2014. The delegation of AIPPI was composed of John Bochnovic, President, Stephan Freischem, Secretary General, Thierry Calame, Reporter General, Laurent Thibon, Deputy Secretary General, Anne Marie Verschuur, Assistant to the Reporter General and Steve Garland, Member of the Programme Committee. The meeting lasted the whole morning.

Francis Gurry, Director General of WIPO, welcomed the AIPPI delegation. He briefly presented the achievements of 2013 and the projects for 2014. Among these projects, he highlighted an important step forward for The Hague and Madrid systems, which is the (anticipated) ratification of countries, including the USA, Korea, China and Japan for the Hague system and Canada for the Madrid system. Such ratifications would boost both systems. These ratifications are expected for this year or next year. Concerning the Design Law Treaty, the Member States did not reach an agreement to hold a diplomatic conference. However, there is still hope for 2015.

The meeting was then conducted by Anna Morawiec Mansfield, Head, Non-Governmental Organizations and Industry Relations Section, Department of External Relations, Global Issues Sector.

Yoshiyuki Takagi, Assistant Director General, Global Infrastructure Sector, introduced to the delegation the Technology and Innovation Centers (TISCs) Programme. This Programme is driven by the Development Agenda Group (DAG) and aims at helping developing countries to access to technological knowledge.

Andrew Czajkowski then explained this Programme in more detail. Since 2009, 40 national projects were launched (about half in sub-Saharan Africa) and 320 TISCs were opened worldwide. In 2013, over 190,000 inquiries were supported by these TISCs. The services include access to patent and non-patent databases, assistance in using databases and, for some more important centers, technology search services, patent analytical services and training services. The main WIPO support consists of training the people who run these TISCs, through either on-site or web training. Partnerships have also been installed with some major private patent database service providers and science and technology publishers to offer free or low-cost access for developing and least-developed countries.

Tomoko Miyamoto, Head, Patent Law Section, Patent Law Division, Innovation and Technology Sector, provided the AIPPI delegation with an update on the SCP (Standing Committee on Patent). The Client Attorney Privilege topic will be considered during a side Seminar, which is planned for the next session of the SCP. Additionally, the SCP will start to look at (or study) the inventive step requirements and the sufficiency of disclosure.

David Muls, Senior Director, Madrid Registry, Brands and Designs Sector, updated the delegation of AIPPI on the Madrid System. The system is growing very fast with 2-3 new members every years. After, among others, Mexico, India and Tunisia in the previous years, Canada, Algeria, Jamaica, OAPI (17 countries), and Asian countries are expected to join this year or next year. The number of filings increased by 6.4% in 2013 with respect to 2012. Europe still represents the first user's Group of the Madrid System. WIPO is currently working on modifications in the administration of the System, which are necessary in view of the entry of the new Member States. AIPPI Working Question Q239 concerning the basic mark requirement under the Madrid System, which will be discussed in Toronto, comes at the right moment.

Neil Wilson, Director, Registries Support Division, Brands and Designs Sector, presented a new online tool provided by WIPO to the users of the Madrid System. This online tool will, among others features, provide the real-time status of a file, and electronic alerts. It can also be used as a portfolio management tool. More information concerning this new WIPO online tool, which is supported by video tutorials, will follow in the next e-News.

Marcus Höpperger, Director, Law and Legislative Advice Division, Brands and Designs Sector, explained one of the blocking points for holding a diplomatic conference on a Design Law Treaty, which is the inclusion of an article concerning technical assistance.

Grégoire Bisson, Director, The Hague Registry, Brands and Designs Sector informs AIPPI delegation on the latest developments on the Hague system. 2013 showed a high level of increase in the number of filings (14% with respect to 2012). The new entries in the Hague System will concern the USA and Korea this year, followed by China and Japan. In 2015, Canada, Russia and Israel are also expected to join. The arrival of important countries, having novelty requirements and an examination procedure, will probably lead to the arrival of new groups of users and of practitioners. WIPO will therefore have to change its information strategy to address these new users of the System. The Hague System should also probably be reformed in the future.

Michele Woods, Director, Copyright Law Division, Culture and Creative Industries Sector, provided the AIPPI delegation with an update on the work of the SCCR. Discussions continue on a possible “Broadcasting Treaty” The discussions are still on the protection of signals and the applicability to the Internet. The next step could be a report at the next General Assembly in September with a recommendation for a diplomatic conference in 2015. Concerning Limitations (for library/museums/archives) and Exceptions (for education and research institutions), the discussion are still continuing.

This meeting with Directors of WIPO always provides to AIPPI an opportunity for presenting the work of the Association. The AIPPI delegation introduced the Resolutions of AIPPI adopted in Helsinki, the current state of the work concerning the Questions of Toronto, and some of the Workshops planned for Toronto.

[AIPPI Committees](#)

[AIPPI report on the availability of injunctive relief for FRAND-committed standard essential patents](#)

(Michael Fröhlich, Chairman AIPPI SC Q222)

Conduct of companies in the standard-setting context has been for a long time an important and controversial topic at the intersection of intellectual property and antitrust law. One of the currently most contentious issues in this field concerns the availability of injunctive relief or similar orders of exclusion for infringement of a FRAND-committed standard essential patent (“SEP”) by an implementer of a standard. This matter has recently received much attention as a result of high-profile cases in courts of various jurisdictions, complaints lodged with competition authorities, and attempts by some members of standard-setting organizations to have their rules and procedures modified.

AIPPI has now published a report of its Special Committee on ‘Standards and Patents’ that provides a comparative legal analysis of the specific conditions in which injunctions are available for infringement of a standard essential patent for which a FRAND-commitment has been given. In a comprehensive review of over 40 different cases from courts and antitrust agencies, the report assesses the legal situation in major jurisdictions, including the United States of America, the European Union, Germany, the Netherlands, France, Italy, the United Kingdom, China, Japan, South Korea, and India. The report also offers a unique insight in the ongoing IPR policy discussions in standard-setting organisations such as the European Telecommunications Standards Institute (ETSI).

The report finds that in most jurisdictions holders of standard essential patents for which a FRAND-commitment has been made are far from certain to be awarded injunctions, and even less likely to obtain preliminary injunctions. It observes that national judges seem to be well-versed and best placed to consider whether or not injunctive relief is warranted in any particular case. In this context, the report observes that while there is diversity among the various jurisdictions as to which specific conditions have to be met to avoid or respectively obtain an injunction for infringement of a FRAND-committed standard essential patent, there is increasing consistency when it comes to evaluating parties’ behaviour under the rubric of good faith.

While it is recognized in the report that it is a relevant factor when evaluating the parties' conduct that a potential licensee has agreed to be bound by a third party determination for the terms of a licence, it is emphasized that this should not necessarily be the only factor that a court should consider in determining whether injunctive relief is warranted in a particular case or not. The report also takes the that patent holders should be allowed to seek injunctions for infringement of their patents. The mere act of seeking injunctive relief from a court of law for infringement of a FRAND-committed standard essential patent in and of itself, or the threat of doing so, should not automatically be considered a competition law violation. Acknowledging that an injunction may not be appropriate under the unique circumstances of the case, the report recommends that injunctive relief should not be granted for infringement of a SEP if the patentee has failed to comply with its obligations under FRAND, which requires the courts in any event to consider FRAND before issuing an injunction. The report further recommends that in evaluating parties' conduct, courts should hold both parties to their duty of good faith and require that the willingness to negotiate in good faith is evidenced by external conduct.

The report is available here.

[AIPPI 2014 Toronto Congress](#)
[Toronto the "Cool"](#)

(Article by Philip C. Mendes da Costa, Chair Organizing Committee)

This year, the traditional four questions will be augmented by a fifth special question.

- Question Q238 addresses second medical use and other second indication claims and considers the implications and the scope of disclosure and protection for a previously known chemical compound which exhibits previously unrecognized benefits.
- Question Q239 investigates what should be the basic requirements of a mark under the Madrid system, which is of particular interest in Canada in view of a proposal to ratify the Madrid Treaty.
- Question Q240 pertains to exhaustion issues in copyright law and whether international exhaustion can be clearly defined and recognized.
- Question Q241 pertains to IP licensing and insolvency. The consequences of insolvency of a patentee, and the impact upon licensees and resulting arrangements with bankruptcy trustees varies country by country and is ripe for harmonization.
- The additional question pertains to rights of prior users of patented subject matter. This question reviews the rights of parties who acquired but did not publicly disclose an invention prior to the filing of an application for patent. The question explores the balancing of the patentee's rights in its patent, against the rights of a party which previously acquired the invention.

The Congress will also include the following workshops.

- Workshop I is a mock international IP arbitration and will investigate the varying limitations and benefits of this optional dispute resolution mechanism.
- Workshop II will look at how the legal issues of embedding, framing and hyper linking have been handled in a number of international jurisdictions. Alternately, participants can attend Pharma workshop 1 that will consider the ramifications of varying international standards relating to the disclosure requirement for utility and industrial applicability and the desirability of harmonized disclosure requirements.
- Workshop III will examine the question and extent of client-attorney privilege against forced disclosure of confidential information as has been handled in a number of jurisdictions. Alternately, participants can

attend Pharma Workshop II that will examine biosimilar pharmaceutical products, including key issues of definition, the intersection between patent and regulatory regimes, and the naming of biosimilars.

- Workshop IV will review the use of survey evidence in trade-mark cases, whether surveys should be considered and under what circumstances they will be admitted. Concurrent Pharma Workshop III will explore the latest developments for patent term extensions and supplementary protection certificates (SPCs).
- Workshop VI considers the question of unfair competition or free-riding or parasitism. The remedies available will be reviewed by a diverse panel. This workshop ties in with Workshop IV, relating to the use of survey evidence to establish the reputation in trade-marks or packaging.
- Workshop V will explore the latest developments in the field of patenting computer implemented inventions. This workshop will consider the Alice Corp. v. CLS Bank International case of the United States Supreme Court and assess its repercussions, as well as review the issue of patents for computer-implemented inventions from an international standpoint.
- Workshop VII considers cross-border infringement of IP rights, and the consequence of IP rights in one jurisdiction which may exert influence in another jurisdiction, particularly with those arising from Internet-based technologies and content. Recent case law addressing the trans-border impact will be reviewed.
- Workshop VIII examines the implications of 3D printing, its expanding development, from manufacture of replacement parts, and the impact upon IP rights. The workshop will review the current technology for 3D printing, its future applications, and the repercussions in the context of IP rights.

[AIPPI 2014 Toronto World Intellectual Property Congress, 14-17 September 2104](#)

(Article by The Toronto 2014 Organizing Committee)

With registration well under way for the AIPPI 2014 Toronto World Intellectual Property Congress taking place 14 to 17 September, now is the time to become a sponsor or exhibitor. With over 2000 participants from around the world expected and several great options to choose from, this is a unique opportunity to reach a wide audience of intellectual property professionals.

Sponsorship

While many organizations have already taken advantage of this unique marketing opportunity, there are still plenty of great advertising options, promotional items and social events to choose from. But they won't last forever. Sponsorship at the AIPPI World Intellectual Property Congress is an extremely cost-effective way to reach a global audience of intellectual property professionals.

Exhibition

As an exhibitor at the AIPPI World Intellectual Property in Toronto, you will gain full access to the wide-ranging exhibition area. This is a great opportunity to meet with participants as well as to network with other exhibitors. We would be pleased to reserve space for you.

Advertisements

Advertising space is available in a number of publications that will be coming out both prior to and during the Congress, including the Congress brochure and the list of participants. Both publications will be distributed to all attendees of the Congress. With September 14 rapidly approaching, now is the time to act! For further information please refer to our Sponsorship & Exhibition Brochure, which is available at: www.aippi.org/download/toronto14/Sponsorship.pdf.

Thank you for your interest and for supporting the AIPPI 2014 World Intellectual Property Congress in Toronto!

The Toronto 2014 Organizing Committee

[AIPPI Congress News](#)

(AIPPI General Secretariat and Managing IP)

AIPPI is pleased, once again, to be working with Managing IP to publish The **AIPPI Congress News** - the dedicated daily newspaper for the 44th World IP Congress being held in Toronto, 14-17 September 2014.

The **AIPPI Congress News** combines the journalistic skills of Managing IP's editorial team with the official AIPPI event information to deliver a daily newspaper that the influential international audience of attendees will both need and enjoy reading.

The **AIPPI Congress News** will be distributed to attendees throughout the conference area on the three full days of the Congress.

The **AIPPI Congress News** will be the official daily source of information and offers unparalleled access to the more than 2,000 expected attendees at this year's World Congress—the largest meeting of general IP attorneys in the world.

Limited advertising opportunities and sponsored roundtable features are available, enabling your firm to communicate with this influential audience through the most cost-effective, high exposure, media channel at the World IP Congress.

For information about advertising in the **AIPPI Congress News** please contact the business manager for your region listed below.

Space is strictly limited so don't delay!

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We look forward to seeing you in Toronto

Thank you.

Articles and notes

Australia: Pain relief for innovators — Australia cements its reputation as being a favourable jurisdiction for pharmaceutical patent owners

(Matthew Swinn & Caroline Ryan, Corrs Chambers Westgarth, Melbourne, Australia)

Warner-Lambert Company LLC v Apotex Pty Ltd [2014] FCA 241

Lyrica (pregabalin) is the Pfizer Group's second biggest product by revenue in Australia, and registered on the Australian Register of Therapeutic Goods (**ARTG**) for both the treatment of neuropathic pain in adults (**neuropathic pain indication**) and as adjunctive therapy in adults with partial seizures with or without secondary generalisation (**seizure indication**).

Apotex Pty Ltd (**Apotex**) filed invalidity proceedings last year seeking to 'clear the way' and to revoke Warner-Lambert Company LLC and the Pfizer group's Australian Patent 714980 (the **pain patent**). The pain patent relates to methods of use of pregabalin in the treatment of pain, including neuropathic pain.

Pfizer launched interlocutory injunction proceedings having received notification that Apotex was preparing to launch its generic of Lyrica, **Apotex-Pregabalin**. Apotex-Pregabalin's ARTG registration was limited by "skinny labelling" to 'adjunctive therapy in adults with partial seizures with or without secondary generalisation'. This indication falls outside the scope of the pain patent.

Apotex had already consented to an injunction in respect of neuropathic pain in adults, 'or any substantially similar indication'. Further, it had previously given an undertaking not to supply pregabalin to hospitals until the determination of the infringement proceedings. It had also informed Pfizer that it would not apply to list Apotex-Pregabalin for neuropathic pain on Australia's Pharmaceutical Benefit Schedule, thereby removing the threat of a mandatory price drop in the reimbursed price for Lyrica (which occurs when the first generic lists).

There remained a dispute in respect of the potential for generic substitution by pharmacists when dispensing prescriptions for Lyrica. Pfizer submitted that, under the contributory infringement provisions of Australia's Patents Act, any such substitution would amount to an infringement of the pain patent. Further, as the seizure market for pregabalin is 'practically non-existent', Pfizer argued that Apotex should be taken to have reason to believe that pharmacists would substitute Apotex-Pregabalin to patients for pain relief.

At first instance, Justice Griffiths was not satisfied that Pfizer had demonstrated a prima facie case for the interlocutory relief it sought. Second, His Honour held the balance of convenience favoured the refusal of the application for additional interlocutory relief.

Justice Griffiths placed weight on the fact that Pfizer had made its own unsuccessful attempt to have Lyrica listed on Australia's PBS for the seizure indication in 2005 (evidencing that there was in fact a market for the seizure indication) and Apotex's own commercial forecasting for Apotex-Pregabalin. His Honour also favoured evidence filed by Apotex in relation to the likelihood of 'off label' dispensing by pharmacists.

On appeal, the Full Court accepted Pfizer's submissions that the primary judge had conducted 'a preliminary trial of the proceeding' at least in so far as His Honour rejected evidence filed by Pfizer on these key issues in favour of Apotex's evidence.

In addition to other factual disputes, the Full Court held that, whether or not Apotex had the requisite 'reason to believe' that pharmacists would be likely to substitute Apotex-Pregabalin for Lyrica in respect of neuropathic pain relief, was a factual matter and not something that could be resolved before trial.

In relation to balance of convenience, the Full Court supported Pfizer's application for additional interlocutory relief, placing considerable weight on the fact that it enjoyed a well established market that Apotex was threatening to disrupt. The consolidation of the infringement case with the existing revocation proceedings listed for final determination in October was also taken into consideration.

With the possible exception of cases where the pharmaceutical patent is close to expiry, it is becoming difficult to see any other circumstance in which an Australian Court will decline to order an interlocutory injunction pending the trial of a pharmaceutical patent case.

[Ecuador: Proposed new, comprehensive IP law in Ecuador with further restrictions on patent prosecution](#)

(Article by Maria Cecilia Romoleroux, Corral Rosales Carmigniani Pérez, Quito, Ecuador)

The Ecuadorian Government agency SENESCYT, which in the field of science, technology and ancient knowledge, is involved in fostering the development of research, innovation and transfer of technology has released a draft of a comprehensive new Intellectual Property Law. The new law would create a new state agency to define the requirements that research entities and researchers have to comply with in order to obtain the benefits provided by law, as well as the priority research areas.

The new law seeks to develop a knowledge management system to facilitate the transfer of technology, access to knowledge and culture, and to reduce the cognitive dependency, which means the reduction of imported technology and knowledge by encouraging local research.

The knowledge management grounds note that the existing IP law has created a legal regime whose main points are the private right and a mercantilist approach, and that the protection standards are more favorable than the minimum established in the main international instruments, including the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs).

The proposal states that citizens of the Andean Community and foreigners residing in Ecuador will have the same rights as Ecuadorians have, but that other foreigners will only have the protection recognized in the international agreements in force in Ecuador.

Under the proposal, intellectual property rights will have different treatment depending on the type of property. If fundamental rights are involved, protection will enable the satisfaction of the basic needs of society. Goods related to strategic sectors, as well as the information generated by their concession and use, will have protection that will allow the State to have access to the protected products and procedures. On issues related to biodiversity, protection will enable the State and communities to share the benefits of access, research, marketing, and use thereof.

In the case of patents, new concepts have been excluded from patentability, considering them as non-inventions, such as a new form of a known substance, including salts, esters, ethers, complexes, combinations and other derivatives, unless there are unexpected differences with the prior art, verifiable by tests disclosed in the specification; polymorphs, metabolites, pure forms, particle sizes, and isomers of a known substance. Also excluded from patentability are new properties or uses of a known substance, procedure or machine; collective and traditional knowledge; genetic resources containing biological diversity and agro-biodiversity.

Excluding metabolites in general from patentability would prevent patent protection of all products generated by cells. Moreover, the proposal fails to differentiate between what is a non-invention and a product excluded from patentability unless unexpected results (an evidence of inventiveness) are demonstrated.

In the case of chemical or pharmaceutical products, the proposal requires that the application contains enough information (examples, assays) for all embodiments of the invention. The summary should include the generic name of the pharmaceutical product. This requirement would limit the application to specific products, leaving aside broad or Markush formulas.

The draft also confers more opportunities for a third party to oppose, extending the opposition period until a resolution is issued. In the case of pharmaceuticals, it adds a new requirement of prior approval by the health authority.

At this time, this draft is still under discussion before it undergoes the approval proceeding.

The draft can be found here.

[France: Tobacco trademarks and ban on tobacco advertising](#)

(Article by Tougane Loumeau, avocat à la Cour, Gide, Loyrette, Nouel, Paris, France)

In France, there exists a strict ban on tobacco advertising. In order to prevent the tobacco industry from circumventing that ban through the launching up and advertising of lines of non-tobacco products bearing the same name as a tobacco brand, the Public Health Code provides that advertising for any kind of product or service which, by its presentation or the use of a brand, is reminiscent of a tobacco product, is prohibited.

The existence of these rules has led to new types of conflicts between tobacco companies and trademark owners from different industries. When a tobacco company registers a new trademark for tobacco products, it may happen that the same name is already registered for different products or services. The owner of the non-tobacco trademark then finds himself in the situation where he incurs the risk of no longer being able to promote his products by reason of the existence of the later tobacco trademark.

At the beginning, it was unclear what remedies could exist for the non-tobacco trademark owner, as such a situation does not prima facie fit into what may fall under the definition of trademark infringement. In the landmark Vortex case (1993), the French Supreme Court approved a Paris Court of appeal judgment which had cancelled the Vortex tobacco trademark on the ground that the filing of such trademark was wrongful in that it harmed Procter & Gamble's interests in its earlier Vortex trademark registered for washing powder. Such harm was characterized by the fact that the tobacco trademark created in the other trademark a flaw which did not exist before. This case law has since been reasserted many times.

A point which has always been debated is whether the tobacco trademark should be cancelled when it has not actually been used. The argument is that advertising of a non-tobacco product may not have the effect of bringing a tobacco brand to the mind of the public if such tobacco brand has never been used. Until recently, case-law had constantly rejected such argument and steadfastly cancelled tobacco trademarks even though they had not been used.

However, a recent case shows that the tide may be about to turn. On 10 January, 2014, the Paris Court of appeal ruled in favor of Philip Morris in a case where Philip Morris, the owner of the registered trademark "Manhattan" for tobacco products, sought cancellation of an earlier Manhattan trademark for clothing apparel, which had not been put to use for 5 years. The defendant claimed, as a defense, that he had a good reason for not having put his trademark to use since, if he had done so, he would have lost his investments as he would have been barred from promoting his trademark due to the existence of the Manhattan tobacco trademark. The court rejected this defense by ruling that there would have been no such bar as the tobacco trademark was not put to use by Philip Morris, and "in order for a trademark to be reminiscent of a tobacco product, such trademark has to be actually used".

It remains to be seen whether this evolution will be confirmed in the future.

UK: Threats and regrets in the UK

(Article by Susan Snedden, Maclay Murray & Spens LLP, Edinburgh, United Kingdom)

UK legislation prohibits the making of groundless threats of patent, design and trade mark infringement, except in certain limited circumstances. IP rights-holders, and their advisors, can be sued in respect of such threats. There is a defence if the threat was justified i.e. the right was infringed.

Thus, great care must be taken when drafting letters before action threatening UK infringement proceedings.

The threats provisions do not apply to without prejudice negotiations- but it is not enough to simply mark a letter “without prejudice”. Genuine settlement discussions must be taking place before this protection will apply.

Many rights-holders and advisors based outside the UK are unaware of these provisions, so risk inadvertently infringing them.

The current law can hamper IP rights-holders’ legitimate aim of protecting their IP without recourse to the courts.

The current law

There are three main difficulties with the law as it stands:

1. Wide definition of “threat”

The threshold for what constitutes a “threat” of proceedings is very low. Merely hinting at the possibility of legal proceedings can amount to a threat.

2. Inconsistencies between patents, trade marks and designs

Threats are permitted if they relate to alleged primary infringements, e.g. the acts of making or importing the infringing product.

The position is more complicated where the threats relate to alleged secondary infringements e.g. the acts of selling, offering for sale or keeping the infringing product.

Groundless threats are potentially actionable if made to a party who carries out secondary acts only.

In respect of patents, threats relating to secondary infringements are permitted, if they are made to a party who is also a primary infringer. So it is possible to threaten the manufacturer of an infringing product with proceedings relating to selling the product.

However, with trade marks and designs, if the manufacturer is also threatened with proceedings relating to selling the product, that is potentially an unjustified threat and thus prohibited.

3. Advisor liability

Finally, professional advisors can be held personally liable for any threats made on behalf of clients.

Thus rights-holders and advisors must tread very carefully when preparing letters before action. Sending correspondence which breaches the threats legislation can hamper negotiations by handing the tactical advantage to the alleged infringer, who may sue for unjustified threats. Sometimes parties raise infringement proceedings before sending a letter before action, to avoid the risk of threats proceedings.

Proposed Reform

The Law Commission has recommended four main reforms to the unjustified threats provisions:

1. Trade mark and design law should be amended to be consistent with patent law, so that secondary infringements can be mentioned in correspondence with primary infringers.
2. Legitimate commercial communications with parties carrying out secondary infringing acts should be permitted. This will allow rights-holders to communicate with sellers of infringing products to locate the source of the goods. Specific guidance should be provided on what can be said in such communications, to dispel uncertainty about what constitutes a threat.
3. Threats to a party who intends to carry out a primary infringing act, but has not yet begun, should be permissible.
4. Finally, lawyers and registered patent and trade mark attorneys who act in their professional capacity on client instructions should not be liable for unjustified threats.

If adopted, these will make it easier for rights-holders to send letters before action and resolve IP disputes out of court without fear of being sued for unjustified threats. The suggested reforms have been warmly welcomed by IP practitioners. However, until they are adopted and implemented by the UK Government, we must continue to navigate the minefield caused by the current groundless threats provisions.

[UK: Court of Appeal reverses Trunki Community Registered Design decision](#)

(Article by Charlotte Scott, Hogarth Chambers, London, UK)

The case concerned the Claimant’s Trunki suitcase — a ride-on children’s suitcase which was propelled to fame as ‘the one that got away, from the BBC Television show Dragons’ Den. The Claimant owned the CRD in respect of the Trunki suitcase which consisted of a grey-scale CAD drawing.

The Defendant produced a similar product known as the Kiddee Case. The Claimant sued the Defendant alleging, inter alia, infringement of its CRD.

At first instance, Arnold J in the High Court held that the Kiddee Case infringed the CRD, finding that as the CRD was in grey-scale and did not show any graphical designs on the surface of the suitcase, the surface design of the Kiddee Case had to be ignored. The proper comparison to be made, therefore, was between the shapes of CRD and the Kiddee Case. Arnold J also held that the Kiddee Case had been copied from the Trunki — though this aspect was not appealed.

However, the Court of Appeal, allowing an appeal by the Defendant, found that Arnold J had erred in principle in his characterisation of the protection provided by the CRD and therefore erred in concluding that the Kiddee Case produced the same overall impression.

Firstly, the Court of Appeal held that the surface design of both the CRD and the Kiddee Case was



relevant. Arnold J failed to carry out a global comparison as he failed to appreciate that the CRD is for a suitcase which considered as a whole looks like a horned animal, due to its shape and lack of any counteracting factors. In such circumstances, the surface design of the Kiddee Case affects how the shape itself strikes the eye and therefore should have been taken into account. Kitchin LJ noted “*The stripes on its flanks and the whiskers on either side of its nose immediately convey to the informed user that this is a tiger with ears. It is plainly not a horned animal.*”

Secondly, although Arnold J was correct to hold that as the CRD is registered in monochrome, the design is not limited to particular colours, that does not mean that colour is wholly irrelevant. The CRD consisted of six monochrome computer-generated 3D images. Each image showed a distinct contrast in colour between the wheels and strap, on one hand, and the rest of the suitcase on the other. The Court of Appeal found that this colour contrast was a striking feature of the CRD, which was not present in the Kiddee Case.

Applying such principles, the Court of Appeal found that the Kiddee Case produced a different overall impression to the CRD and, therefore, did not infringe.

Analysis

Both the surface decoration point and the colour contrast point are interesting points of law regarding the scope of protection afforded by a CRD and the interpretation of the representations in the registration.

With regard to the surface decoration point, Kitchin LJ relied upon *Samsung Electronics (UK) Ltd v Apple Inc* [2012] EWCA Civ 1339. In that case, in finding that Samsung’s Galaxy tablet produced a different overall impression to Apple’s CRD, it was considered a relevant difference that Samsung’s product was adorned with its trade mark, while a feature of the CRD was that it had no ornamentation (as Apple had argued). Should a lack of surface decoration on a CRD mean that a design should be taken to include any different surface decoration or that a design positively does not feature any surface decoration? The answer to this question currently appears to be unclear.

As for the colour contrast point, despite the Court of Appeal’s attempt to distinguish the case of *Proctor & Gamble v Reckitt Benckiser* [2007] EWCA Civ 936, this decision does not sit well with it. If a grey-scale representation means that colours should be ignored in the comparison, should shades of grey-scale not also be ignored?

It may be that a simpler line-drawing representation may in fact have afforded the Claimant’s CRD wider protection.

It is understood that permission to appeal is currently being sought from the Supreme Court or that the matter should be referred to the CJEU for further guidance.

[U.S.A.: **Raging Bull** Copyright Infringement Claim is Not Knocked-Out by Laches Defense, U.S. Supreme Court Holds](#)

(Article by Seth I. Appel, Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP, Chicago, Illinois, U.S.A.)

Raging Bull, the critically-acclaimed motion picture telling the story of boxing champion Jake LaMotta, had its origin in Frank Petrella’s 1963 screenplay. Metro-Goldwyn-Mayer, Inc. (“MGM”) acquired the rights and released the movie in 1980. MGM continues to market *Raging Bull* today in formats such as DVD and Blu-ray.

Under the U.S. Copyright Act, works published prior to 1978 are protected for an initial term of 28 years and a renewal term of 67 years. An author’s heirs inherit renewal rights, even if the author assigned the copyright during the initial term. In 1991, following Frank Petrella’s death, his daughter Paula renewed the copyright in his screenplay, becoming its sole owner. Eighteen years later, on January 6, 2009, she brought a copyright infringement lawsuit against MGM in California federal court.

The Copyright Act provides a three-year statute of limitations: “No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.” 17 U.S.C. § 507(b). Under the widely-recognized separate-accrual rule, each reproduction or distribution of an infring-

ing work is a new wrong that starts a new limitations period. Thus, Paula Petrella sought injunctive relief and damages only for acts of infringement occurring since January 6, 2006.

Notwithstanding the statute of limitation, MGM moved for summary judgment, claiming Petrella's suit was barred by laches — unreasonable, prejudicial delay in bringing suit. The district court agreed and dismissed the case, and the Ninth Circuit Court of Appeal affirmed. These courts found that MGM was prejudiced by Petrella's delay because it had made significant investments in *Raging Bull* believing that it had complete ownership and control of the film.

The U.S. Supreme Court reversed. Because the Copyright Act includes a three-year statute of limitations, the Court held, laches "cannot be invoked to preclude adjudication of a claim for damages brought within the three-year window."

The Court recognized "the essentially gap-filling, not legislation-overriding, office of laches." It distinguished laches from equitable tolling, which is read into every federal statute of limitations and lengthens the time for bringing a civil action in appropriate circumstances.

The Court rejected MGM's argument that the laches defense must be available "to prevent a copyright owner from sitting still, doing nothing, waiting to see what the outcome of an alleged infringer's investment will be." Indeed, Petrella admitted she delayed filing suit because "the film hadn't made money." The Court did not find this improper. Rather, it observed, the law permits a copyright owner "to defer suit until she can estimate whether litigation is worth the candle." Holding otherwise would lead to an unnecessary "profusion of litigation."

The Court found the Copyright Act's statute of limitations prevents inequitable results, because a successful plaintiff cannot recover for acts of infringement more than three years prior to bringing suit. "Profits made in those years remain the defendant's to keep."

Nonetheless, the Court held that in "extraordinary circumstances," a copyright owner's delay may bar equitable relief at the outset of litigation. For example, in an earlier case where a copyright owner had waited two years to seek a restraining order against a book that contained allegedly infringing material — after the book had been "printed, packed, and shipped" — the court properly rejected the possibility of injunctive relief. In addition, the Court explained, a copyright owner's delay may ultimately limit monetary remedies. However, "[w]hatever adjustments may be in order in awarding injunctive relief, and in accounting for MGM's gains and profits,...there is no evidence basis for immunizing MGM's present and future uses of the copyrighted work, free from any obligation to pay royalties."

[U.S.A.: Cancellation petitioner prevails upon misrepresentation claim despite lack of U.S. trademark use or registration: Bayer v Belmora](#)

(Article by Phillip Barengolts, Pattishall, McAuliffe, Newbury, Hilliard & Geraldson LLP[1] Chicago, Illinois, U.S.A.)
Raging Bull, the critically-acclaimed motion picture telling the story of boxing champion Jake LaMotta, had its origin in Frank Petrella's 1963 screenplay. Metro-Goldwyn-Mayer, Inc. ("MGM") acquired the rights and released the movie in 1980. MGM continues to market *Raging Bull* today in formats such as DVD and Blu-ray.

Bayer Consumer Care AG, a Swiss company, owns the registered trademark FLANAX in Mexico, and licenses its use for the top selling analgesic in Mexico. Bayer never used the FLANAX mark in the U.S., and it has never advertised FLANAX in the U.S.

In 2003, the U.S. company Belmora applied to register FLANAX in the U.S. and ultimately obtained a registration covering “orally ingestible tablets of Naproxen Sodium for use as an analgesic.” Belmora started selling its FLANAX in the U.S. in 2004.

Bayer petitioned to cancel Belmora’s registration of FLANAX in 2007. In the early stages of the case, the Trademark Trial and Appeal Board (the “Board”) rejected Bayer’s claims under the Pan-American Convention and the Santiago Convention. The Board also held that Bayer could not assert a claim for likelihood of confusion because Bayer could not allege any authorized use of its FLANAX mark in the U.S. For similar reasons, Bayer could not assert a claim of fraud upon the U.S. Patent and Trademark Office. Finally, the Board held that Bayer could not assert a claim under Article 6 bis of the Paris Convention because the Paris Convention is not self-executing. Moreover, the Board found that when the U.S. Congress implemented portions of the Paris Convention it did not provide the owner of a famous foreign trademark “with an independent basis for cancellation in a Board proceeding, absent use of the mark in the United States.” *Bayer Consumer Care AG v. Belmora LLC*, 90 USPQ2d 1587 (TTAB 2009).

The Board did, however, permit Bayer’s claim of misrepresentation to proceed to trial. To prevail, Bayer had to prove its standing and that Belmora was using the FLANAX mark to deliberately misrepresent that Belmora’s FLANAX goods originated from an entity other than Belmora.

Belmora contested Bayer’s standing at every stage of the litigation on the grounds that Bayer had no goodwill in the FLANAX mark in the U.S. The Board held that Bayer had standing because it had a real interest in protecting the Mexican FLANAX mark when Belmora was using the FLANAX mark in the United States to misrepresent to U.S. consumers that the source of Belmora’s products was the same as the source of Mexican FLANAX. That is, Belmora’s own marketing efforts to U.S. consumers established the reputation of Bayer’s FLANAX mark in the U.S., even though Bayer itself had not used the mark in the U.S.

On the merits of Bayer’s misrepresentation claim, the Board found that, “although the facts before us present a matter of first impression, they do not present a close case.” The Board found that: 1) Belmora was aware of Bayer’s use of the FLANAX mark in Mexico before adopting the mark in the U.S.; 2) Belmora’s principal “repeatedly invoked the reputation of Bayer’s FLANAX mark when marketing Belmora’s FLANAX product in the U.S.” and 3) Belmora had adopted Bayer’s identical source-identifying mark and logo (left, below), and a highly similar package design (right, below).



Belmora argued its later packaging did not look as similar to Bayer's Mexican FLANAX packaging as Belmora's original packaging, but the Board rejected this argument because "[Belmora] built its business on this heritage of misrepresentation, and [Bayer] suffers damage today due to [Belmora's] continued use of the identical FLANAX mark on the same type of product, even though its packaging and marketing may have changed."

Although a foreign trademark owner may not have a U.S. claim under Article 6bis, this decision gives the owner of a foreign mark that is not used in the U.S., but which has been registered by another party in the U.S., grounds to assert a claim for misrepresentation if the U.S. registrant uses the mark to suggest that the U.S. product comes from the same source as the foreign product sold under the mark.

References

[1] The Firm was counsel for Petitioner, Bayer Consumer Care AG.

[U.S.A.: The U.S. Supreme Court Makes it Easier for District Courts to Award Attorney's Fees in Patent Litigation](#)

(Article by Joshua B. Goldberg, Nath, Goldberg & Meyer, Alexandria, Virginia, U.S.A.)

On April 29, 2014, the U.S. Supreme Court issued a decision involving the U.S. Patent Act's fee shifting provision, which authorizes U.S. district courts to award attorney's fees to prevailing parties in "exceptional cases". 35 U.S.C. C 285. As it has been doing in many other cases recently, the Supreme Court unanimously rejected the current "unduly rigid" test of the Federal Circuit laid out in *Brooks Furniture Mfg., Inc. v. Dutailier Int'l., Inc.*, 393 F.3d 1378 (Fed. Cir. 2005), instead granting more discretion to the district courts in determining whether a specific case is exceptional. The general principle put forth by the Supreme Court is that:

[A]n "exceptional" case is simply one that stands out from the others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated. District courts may determine whether a case is "exceptional" in the case-by-case exercise of their discretion, considering the totality of the circumstances [and without any] precise rule or formula for making these determinations.

In contrast, the Brooks Furniture test defined an "exceptional case" as one either involving "material inappropriate conduct" or one that is both "objectively baseless" and "brought in subjective bad faith." Brooks Furniture also required that parties establish the "exceptional" nature of a case by "clear and convincing evidence."

The Supreme Court indicated that, even without Section 285, courts hold the inherent power to impose fees on parties for bad behavior. Here, the Court made clear that Section 285 should be construed to go beyond that inherent power — otherwise it would be superfluous.

This decision does not expressly favor patentees or accused infringers. However, it has eliminated the Federal Circuit's "safe-harbor" for protecting plaintiffs. In the past, attorney fees were not allowed for filing a losing case unless the case was "objectively baseless." In patent cases, that standard is difficult to meet because of all the avenues for ambiguity. That safe-harbor is now gone.

Finally, the Supreme Court rejected the Federal Circuit's rule requiring clear and convincing evidence before an award of fees. Here, the court held that there is "no specific evidentiary burden." Rather, as mentioned, the decision is "a simple discretionary inquiry."

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