Baker McKenzie.

Hot IP topics in Healthcare for brand owners

The healthcare landscape is changing and trademark registrations need to keep up.

The healthcare market is evolving, and as well as the merging of what were more traditional roles between innovative and generic healthcare brands, we are seeing an increase in innovation, utilization of technology and greater interface with customers. In addition healthcare companies are striving to differentiate their products and brands. This may not just be by advancements in the medicines or products themselves, but in regard to improving delivery methods (for example prefilled syringes, designer capsules), after care services (such as monitoring apps, provision of health and life style information) and greater engagement with their customers.

We are therefore seeing changes in trademark registration strategies, with non-traditional trademark registrations such as shape (for non functional shape elements) and colour becoming more widely used, as well as design registrations being applied for to protect non-functional design elements of customer facing products. See our heat map on page 3 showing where you can register shape trademarks.

As well as the type of registrations being obtained, the scope of the specifications should also be considered as the healthcare companies move into providing more sophisticated products and services. Should the existing registration be extended to include a new method of delivery (eg syringes) as well as classes 9 and 42 to cover apps, or class 35 and 44 for product or health advisory services?

These are the types of conversations we are having with our clients as we assist them with seeking appropriate trademark protection for use in today's changing healthcare landscape.

Healthcare goods and services – special rules on similarity?

Within the healthcare industry there is a broad range of distinct goods and services from pharmaceutical preparations to healthcare services. How do laws, courts and trademark or IP offices around the world determine whether goods/services are similar, particularly in the context of trademark protection and enforcement? Are there statutory tests, precedents or other standards on the similarity of healthcare goods/services which could help healthcare companies navigate trademark clearances and avoid third party citations, opposition, cancellation, or infringement disputes?

Healthcare brand owners know how challenging it can be to develop a multi-jurisdictional brand that will not encroach on others' trademark rights and be acceptable to regulators. To navigate the rules confidently and at the same time ensure that your product or service stands out to your target market, you need to understand the impact of factors unique to this industry. These include the nature and purpose of the product, its distribution channels and the level of attention of the healthcare customer or the relevant consuming public, which can vary significantly in every jurisdiction where you intend to launch.

Baker McKenzie has published a guide to assessing the similarity of healthcare goods and services, exploring the standards and requirements around the world. If you would like to receive a copy of this, please contact GIPBDM@bakermckenzie.com.

Protection of non-traditional marks

Where can 3D marks be registered?

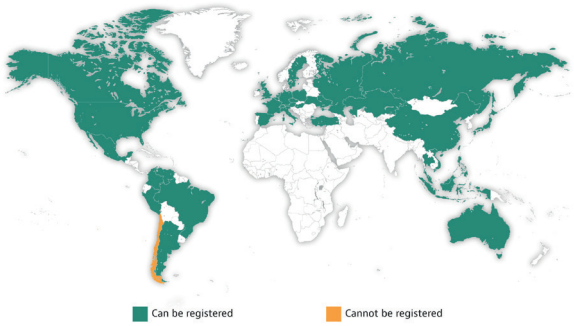
CAN BE REGISTERED

Argentina
Australia
Austria
Belgium
Brazil
Canada
China
Colombia
Czech Republic
France
Germany
Hong Kong
Hungary
Indonesia
Italy
Japan
Kazakhstan
Malaysia [1]
Mexico
Netherlands
Peru
Philippines
Poland
Russia
Singapore
Spain
Sweden
Switzerland
Taiwan
Thailand
Turkey
United Kingdom
Ukraine
United States
Venezuela [2]
Vietnam [3]

EU Trademarks

CANNOT BE REGISTERED

Chile



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(1) The Malaysian Courts have recently held that 3D marks fall within the definition of "mark" and "trademark" under the Trade Marks Act 1976 and are registrable as long as the mark fulfills all the required elements of a trademark under the Act. Previously, the Registrar would generally reject 3D marks for registration, however, the position may change following the recent IP Court decision.

(2) The Registry's criteria on three-dimensional marks has been inconsistent. In the past, they have registered three-dimensional marks but they have recently denied numerous applications for these marks.

(3) The Trade Mark Office does not normally grant protection to 3D marks such as shapes of products or product containers except for those which are well-known or those on which distinctive word or design element appears.

ABOUT US

400 IP lawyers in 40 countries

OVER 3 DOZEN LANGUAGES SPOKEN

53:47 FEMALE TO MALE IP LAWYERS

2017 GLOBAL IP FIRM OF THE YEAR, MANAGING IP BAND 1, CHAMBERS GLOBAL 2009 – 2017

30+ MAJOR IP AWARDS IN LAST 3 YEARS

MOST RANKED AND ONLY FIRM RECOGNIZED IN ALL 4 REGIONS, WORLD TRADEMARK REVIEW 2017

The rise in importance of trade secrets to the healthcare sector: 48% of industry consider trade secrets to be more important than patents or trademarks.

There are a number of reasons why trade secrets are seen to be more attractive than patents, including: automatic protection as opposed to the often lengthy and costly application process associated with patents, no need to disclose discovery and therefore benefit from "the edge" for longer, plus many more. The appeal of trade secrets was supported in the Board Ultimatum: Protect and Preserve* which Baker McKenzie published with Euromoney Institutional Investor Thought Leadership which found 48% of the healthcare respondents consider trade secrets to be more important than patents and trademarks. In addition, looking forward, 78% of the healthcare respondents foresee trade secrets protection as increasing in importance relative to other IP rights.

As well as trade secrets relating to products and processes, healthcare companies are increasingly collating and collecting other types of data that fall under trade secret protection. This may include trial results, customer information, pricing structures and marketing plans - making trade secret protection a key concern for those in the healthcare sector. The study found that one in three healthcare companies were aware that they have had valuable information/trade secrets stolen from them. This was the highest rate from across all industry groups, with the overall average being one in five. In relation to who and what presents the most likely threat for trade secret misappropriation, 60% of healthcare respondents feared that this was either from former employees (35%) or current employees (25%). Yet, despite the fear of theft from within the organization, 40% did not have trade secrets covered by their internal HR practices and policies.

*Refer to the QR code library on page 8

These issues, and more importantly, what steps can be taken to address trade secret theft are discussed in the report and accompanying documents. There is also a webinar covering this topic specifically for the healthcare sector* and we have a Global Trade Secrets Handbook* covering the protection of trade secrets in over 30 jurisdictions. You can sign up for access to this online publication via our Global IP Suite (globalipsuite.bakermckenzie.com).

Fighting criminals who trade in fake pharmaceuticals.

Estimates on the size of the global counterfeit drugs market range from USD 75 million to USD 200 million, and in some low-income countries counterfeit medicines are estimated to make up an enormous 50% of online sales. In addition to the obvious dangers for users, there is no doubt that fake, or counterfeit, drugs and medicines are a very real and challenging problem for pharmaceutical companies. The impact a defective counterfeit product can have on a brand is momentous because the product will very often be harmful to users, either because it contains the wrong dose of active ingredient, it contains other harmful substances, is not fit for purpose or it contains no active ingredient at all and so cannot achieve the effect it should. There are many lines of attack for drug companies to address this issue, including supply chain reviews, customs recordals and monitoring, as well as ensuring appropriate enforcement action is taken.

Seizing infringing products is a common remedy for trademark infringement, but is often ineffective in making a dent in the huge profits made by the large criminal organizations we see behind infringing pharmaceutical products. One way of making more of an impact is seeking to utilize proceeds of crime legislation which enables confiscation of assets, be it cash, property, cars, and other high worth assets that have been acquired as a result of criminal activity. In a recent report we looked at:

- where around the world trademark owners can bring criminal proceedings for trademark infringement;
- where proceeds of crime can be claimed; and
- whether such proceeds of crime awards are made to the State or an enforcement agency, or if they can be claimed by the brand owner.

Utilizing proceeds of crime legislation can be a useful tool to a trademark owner. To know which jurisdictions have such actions available take a look at our Proceeds of Crime Global Map*

Refer to the QR code library on page 8

ASK US ABOUT

GLOBAL IP MANAGER (GIPM)

GLOBAL IP SUPPORT CENTER (GIPSC)

MAPS Managed Anti-Piracy Solutions

MANAGED ANTI-PIRACY SOLUTIONS (MAPS)

TRADE MARK RECORDAL SERVICE (T-RECS)

GLOBAL IP SUITE

How can blockchain technology benefit pharmaceutical intellectual property rights owners?

WHAT IS BLOCKCHAIN?

Blockchain technology is the technology behind the cryptocurrency Bitcoin and the Ethereum platform. In its basic form it is an open ledger of information which is exchanged and verified on peer-to-peer networks and can be used to record and track transactions.

From an information governance perspective, the real innovation of blockchain and other distributed ledger technology (DLT) is that it ensures the integrity of the ledger by crowd sourcing oversight and removes the need for a central authority, i.e., transactions are verified and validated by the multiple computers which host the blockchain. For this reason it is seen as "near unhackable", as to change any of the information, a cyber attack would have to attack all copies of the ledger simultaneously. What makes blockchain technology so attractive not just to financial technology companies but for a large variety of industries, including the pharmaceutical industry, is that it creates a date-stamped, trustworthy and transparent record by allowing multiple parties to a transaction to verify what will be entered onto a ledger in advance without any single party having the ability to later change any ledger entries. Moreover, different types of data can be added to a blockchain, from cryptocurrency, transaction and supply chain information and contracts, to data files, photos, videos etc. It is therefore not surprising that DLT is already firmly on the radar of various governmental agencies, including the EU Commission, US Congress, the European Union Intellectual Property Office (EUIPO) and the World Intellectual Property Office (WIPO).

APPLICATIONS IN THE WORLD OF PHARMA IP

The utilization of blockchain technology for the management of intellectual property rights is vast and could conceivably cover the registration of IP rights, evidence of creator/inventor/author, and evidence of use. The idea of "smart IP Registries", with the ability to have a ledger showing when the mark was registered, first and/or genuinely used in trade, licensed, etc. may appear attractive and resourceful to some brand owners. Not only would this be an immutable record, but it would also resolve the practicalities of collating, storing and providing such evidence This could be particularly helpful in those jurisdictions where proof of first or genuine use is required or where the extent of use is crucial, such as in disputes or other proceedings involving recognition of well known marks, or defending a non-use revocation action. Often cited in the context of "blockchain" is the concept of "smart contracts". As some blockchain solutions can hold, execute and monitor contractual codes, such "smart contract performance" could be of interest to pharmaceuticals outsourcing manufacturing and other IP transactions: smart contracts could be used to establish and enforce IP agreements, such as licenses, and allow the transmission of payments in real-time to IP owners. In addition "smart information" about intellectual rights of protected content could be encoded in digital form.

ANTI-COUNTERFEITING, TRACEABILITY AND SUPPLY CHAIN MANAGEMENT

A recent study by PWC reports that the counterfeit pharmaceuticals market is a €188 billion (US$200 billion) annual business: the largest of all counterfeit goods. Of particular interest to this industry is therefore that DLT could also be used to record and track where a product was made and by whom. The ability to track goods on an immutable blockchain record could assist pharmaceutical companies enforce their contractual arrangements regarding distribution, spot leaks in their - often fragmented - distribution system as well as assist in identifying parallel imports or gray market activity. Such technology already exists, e.g. London-based Qadre's blockchain solution is currently being tested by several large pharmaceutical companies. DLT ledgers holding IP rights information could also enable brand owners, consumers and official authorities, including customs, to verify the authenticity of a product, spot counterfeit drugs and provide confidence for purchasers.

The ability to add blocks of data to the chain also creates opportunities for the pharmaceutical industry to record details about a product's progress through stages from sourcing the raw materials to manufacturing and supply chain management and control. Due to its traceability features, DLT has potential for revolutionising pharmaceutical companies' own anti-counterfeiting and enforcement efforts and may in due course also be a feasible solution for customs programs to prevent global trade in counterfeit pharmaceuticals. It also ties in with legal traceability requirements. The EU Falsified

Medicines Directive 2011/62/EU (FMD) will by February 2019 introduce an EU-wide system to secure the supply chain between pharmaceutical manufacturers and patients against counterfeits. All prescription and certain non-prescription medicines will need to bear unique identifiers (i.e. a two dimensional matrix code and human-readable information tamper evident features which will be uploaded to a European Medicines Verification System (EVMS)). In the United States, the Drug Supply Chain Security Act (DSCSA) of 2013 requires that manufacturers and re-packagers add a unique electronically readable product identifier to certain prescription drug packaging in order to be able to trace the product, and who has handled it, through the various steps of the supply chain and allow verification of the product's authenticity.

While there are potential hurdles to the large-scale legal application of DLT within IP law, (including technical scalability, questions of governing laws and jurisdictions, enforceability of smart rights, data security and privacy concerns), reliable rules and definitions for smart contracts, the various legal and technical requirements of the pharmaceutical industry could make it into one of the premier use cases of DLT outside fintech.

Are local language registrations required for pharmaceuticals in Asia Pacific?

Asia is the largest and most populated continent on earth, and this together with an increase in the standard of living, ensures Asia is attracting substantial investment and growth in the healthcare sector. Asia Pacific specifically seems to have high expected growth rates for 2018, with estimates varying from 5%-8%.

The Asia Pacific region covers a diverse range of countries both in terms of size, population, culture, GDP and language; and this can cause a number of challenges for healthcare brand owners looking to enter and effectively navigate this market. One of the areas Baker McKenzie recently reviewed is the requirement for pharmaceutical products to have the trademark registered in the local language and/or whether such a mark in the local language needs approval by the Drug Regulator/Authority. Specific requirements for trademarks in the local and/or official language (other than English) arise in China and Taiwan. Pre-empting local requirements can ensure all marketing material is compliant and the necessary registrations are obtained within the requisite time period. The ability to register local language registrations may also be a useful tool in a brand owner's anti-counterfeit armoury. See our heat map for a summary on Local Requirements in Asia Pacific

KEY

Question 1 In your jurisdiction – is it necessary to have the trademark of a pharma product appear on the packaging in the local/official language (if different)?

– Yes

– No

Question 2(a) If so, is it also a requisite to have this trademark approved by the Drug Regulator/Authority?

* – Yes

Question 2(b) If so, is it also a requisite to have the trademark registered as a registered trademark?

® – Yes

QR CODE LIBRARY

BAKER MCKENZIE GLOBAL TRADE SECRETS HANDBOOK

GLOBAL IP WEBINAR SERIES SPOTLIGHT ON TRADE SECRETS IN HEALTHCARE

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PROCEEDS OF CRIME GLOBAL MAP

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