

ENGLISH

UKIPO, decision of 15 February 2016 in Case O/083/16

Background

This case involves a UK trade mark application for LIPODERM by Professional Compounding Centers of America, Inc. (“the applicant”), an opposition thereto by Vitabiotics Ltd (“Vitabiotics”) and an application for revocation of Vitabiotics’ earlier registration of LIPODERM by the applicant. The applicant applied for the mark LIPODERM for “pharmaceutical and medicated preparations for topical, transdermal and skin care use; base cream for use with or in the manufacture of pharmaceutical preparations; lipophilic liposomic cream used as a base in preparations for transdermal delivery of pharmaceutically active ingredients” in Class 5. Vitabiotics opposed the application on the basis of likelihood of confusion with its earlier UK trade mark registration for LIPODERM for “pharmaceutical preparation, dermatological products for medical conditions, all for human use” in Class 5. The applicant filed an application for revocation of the earlier registration on the grounds that the trade mark had not been put to genuine use for any of the registered goods, which included “tonics and balms for the hair, all for human use” in Class 3 as well as the goods in Class 5 set out above, within two five year periods since registration. Vitabiotics filed a defence on the basis that it had proper reasons for non-use being that it had a significant plan for the trade mark in relation to a patented product due for launch shortly, that the product had been in extensive ongoing research and development and formulation refinements, and that the launch of the product had been delayed by further technical problem solving and complex clinical studies and patent applications.

Decision

The Hearing Officer considered the law surrounding proper reasons for non-use within section 46(1)(a) of the Trade Marks Act 1994. In particular, she considered case law which states that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise

independently of the will of the proprietor of that mark, may be described as proper reasons for non-use of that mark. The Hearing Officer held that there was no reason for Vitabiotics to have applied for or secured a patent and that the clinical trials were tied to the desire to state that the products were clinically proven, but this was unnecessary prior to bringing the product to market: it was a marketing choice, and therefore both the patent(s) and clinical trials were outside of the scope of being factors which are “independent of the will of the proprietor”. Vitabiotics had control of whether it filed patents or undertook clinical trials; it was its choice to pursue these avenues. Technical problem solving was characterised as a normal “R&D” issue, which is an ordinary commercial activity, and therefore not a proper reason for non-use. The Hearing Officer considered that there is a balance to be struck between encouraging and rewarding innovation and trade and promoting healthy marketplace competition and owning a perpetual monopoly in a trade mark. If a mark is not used within five years of registration, it becomes the antithesis of innovation and healthy trade competition because it clutters the trade mark register, reducing the scope of choice of marks for those who are ready to trade. The evidence put forward by Vitabiotics did not prove that there were obstacles which were independent of its will. It accepted that its patents and clinical trials were its choice, which means the delays caused by them were also its choice. The technical problem solving was an inherent part of R&D which, for a manufacturer, forms part of the normal risk landscape of bringing a product to market (in terms of resources and changing objectives).

Comment

It was noted in the decision that the lack of explanation in the evidence as to the reasons for the problems, their impacts and when they occurred meant that the Hearing Officer was unable to assess them objectively. If a party is going to seek to rely on proper reasons for non-use in a revocation action, it must ensure that it has evidence in place that proves obstacles to use of the trade mark which are independent of its will, or it will struggle to succeed.



Rachel Conroy

Rachel Conroy is a UK Registered and European Trade Mark Attorney and works at Boulton Wade Tennant in London. She advises clients in the pharmaceutical sector and is a member of the Pharmaceutical Trade Marks Group (PTMG). Rachel has considerable experience in trade mark searching and practices all aspects of trade mark law, including prosecution and contentious matters, both in the UK and European Community.