22 Jun 2021

Superior Court of Justice: no exclusive rights over prefix derived from active ingredient of medicine

Brazil - Luiz Leonardos & Advogados

- **Takeda, the maker of the drug Nebacetin, sought the cancellation of Cimed's registration for the mark NEBACIMED**
- **The Superior Court of Justice held that prefixes referring to the active ingredients of medicines cannot be appropriated as trademarks**
- **The court noted that, in the case of medicines, the use of evocative marks is preferable to that of arbitrary or fanciful marks**

The Fourth Panel of the Brazilian Superior Court of Justice has concluded that owners of trademarks containing a prefix derived from the active ingredient of a medicine cannot have exclusive rights over that prefix. In deciding Special Appeal No 1.848.654/RJ, the Superior Court of Justice unanimously held that prefixes related to the active ingredients of medicines cannot be appropriated as trademarks on an exclusive basis, and may co-exist with other trademarks which have different suffixes and distinctive capacity.

Pharmaceutical company Takeda claimed exclusive rights over the prefixes 'neba' and 'nebac', used as a trademark for the drug Nebacetin, to obtain the cancellation of the registration for the trademark NEBACIMED, owned by competitor Cimed. However, the Superior Court of Justice decided that the mere joining together of the aforementioned prefixes with a suffix does not have the power to create a distinctive term, not only because the resulting word lacks creativity, but mainly because it refers to the active principles of the product identified by the mark NEBACETIN.

The court highlighted that, in the case of medicines, the use of evocative marks is preferable to that of arbitrary or fanciful marks - this is because, besides not creating confusion, evocative trademarks convey important information related to the purpose or functioning of the medicine.

It is noteworthy that, according to the jurisprudence of the Superior Court of Justice, signs which are evocative or suggestive of the goods/services covered should, in principle, be allowed to co-exist with other similar marks of the same nature. During the trial, minister Antonio Carlos Ferreira cited other judgments on similar matters, noting that these prior decisions indicated a common jurisprudence of the Superior Court of Justice.

At the first and second instances, the requests submitted by Takeda for the nullity of the registration for the mark NEBACIMED had been accepted by the Federal Court. The registration granted by the Brazilian Patent and Trademark Office was declared null on the grounds that it infringed the previous registration for the mark NEBACETIN. In view of the unfavourable decisions issued against it at the first and second instances, Cimed decided to file an appeal to the Superior Court of Justice.

Before the Superior Court of Justice, Takeda argued that there was an unequivocal partial reproduction of its mark. In its oral argument, the company stated that the term 'nebac' could not be considered descriptive or evocative of the active principles of the drug (neomycin sulfate and zinc bacitracin), and further alleged that the term was a novel expression, formed by joining the first syllables of the two substances used in the medicine.

In response, Cimed argued that, although terms derived from the active principles and their use may conjure up other similar names, those terms would not cause confusion among consumers since they have co-existed on the market for a long period of time. It cited other drugs prescribed for the same purpose that contain the prefixes 'neba' or 'nebac'.

The Superior Court of Justice thus expanded the position adopted in previous decisions, in that marks containing a prefix referring to the active ingredients of a drug are signs of an evocative or suggestive nature which may co-exist peacefully with other marks of the same nature.

Pedro Zardo Junior

Luiz Leonardos & Advogados

Patrícia Aragão Lusoli

Luiz Leonardos & Advogados

TAGS

Enforcement and Litigation, **Portfolio Management**, **Pharmaceuticals**, **Brazil**, **Latin America & Caribbean**