LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2013 TMOB 225
Date of Decision: 2013-12-24

IN THE MATTER OF AN OPPOSITION by Ferring, Inc. to application No. 1,384,006 for the trade-mark FERRIPROX in the name of Apotex Technologies, Inc.

[1] The trade-mark FERRIPROX has been applied for in association with a drug used to treat iron overload in transfusion dependant patients with a very rare disease known as Thalassemia, which only affects a few hundred patients in Canada. The trade-mark has been applied for by Apotex Technologies, Inc. (the Applicant), an innovative pharmaceutical company.

[2] Ferring Inc. (the Opponent) is a leading manufacturer of brand name pharmaceuticals. It has opposed this registration on two main basis: 1) that there is a reasonable likelihood of confusion between the FERRIPROX trade-mark and the Opponent's previous use and making known of its FERRING trade-marks and/or trade-name for pharmaceutical preparations; and 2) that the Applicant has not in fact used the Mark in the normal course of trade since the claimed date of first use.

[3] For the reasons that follow, I have found that this application should be refused.

Background

[4] On February 7, 2008, the Applicant filed an application for the trade-mark FERRIPROX (the Mark) based on use in Canada since May 31, 2002 in association with the following wares: Pharmaceutical preparations, namely, a metal chelating agent for use as a blood therapy preparation.

[5] The application was advertised for opposition purposes in the *Trade-marks Journal* of January 14, 2009.

[6] On April 23, 2009, the Opponent opposed the application on several grounds. The Applicant filed and served a counter statement, in which it denied the Opponent's allegations. The Opponent has pleaded non-compliance with section 30 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) as the basis of two of its grounds of opposition and the remaining grounds turn on the determination of the likelihood of confusion between the Opponent's registration Nos. TMA346,856 and TMA660,178 for FERRING (sometimes collectively the FERRING trade-mark) and the Opponent's trade-names FERRING, FERRING PHARMACEUTICALS and FERRING INC. (collectively the FERRING trade-name).

[7] In addition to filing certified copies of its registration Nos. TMA346,856, and TMA660,178 for its FERRING trade-marks, the Opponent filed affidavits from the following people as its section 41 evidence:

- Peter Meehan, Vice President, Corporate Affairs of the Opponent;
- Hitish Tailor, Director of Medical Information, Pharmacovigilance, Market Access and Competitor Intelligence of the Opponent as well as community pharmacist;
- Dr. Ruth Corbin, Managing Partner and CEO of Corbin Partners Inc.; and
- Two affidavits of Dane Penney, Searcher for the Opponent (one affidavit is dated January 7, 2010 and the other affidavit is dated January 8, 2010).

[8] The Applicant filed as its section 42 evidence affidavits from the following people:

- Dian Shaw, Manager, Clinical Research at ApoPharma Inc.;
- Dr. Fernando Tricta, Vice-President, Medical Affairs at ApoPharma Inc.;

- Chris Delamere, Patent and Literature Searcher for Apotex, Inc.;
- Mike Woolcock, Director of Marketing, Sales and Business Development at ApoPharma, Inc.; and
- Dr. Chuck Chakrapani, President of Leger Marketing.

[9] As its section 43 evidence, the Opponent filed a third affidavit of Dane Penney, sworn July 19, 2011.

[10] All of the above affiants were cross-examined on each of their affidavits. Cross-examination transcripts, exhibits and replies to undertakings all form part of the record.

[11] Both the Applicant and the Opponent filed a written argument and both parties were represented at a hearing.

Onus and Material Dates

[12] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; and *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

[13] The material dates that apply to the grounds of opposition are as follows:

- Section 38(2)(a)/Section 30 - the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- Section 38(2)(c)/Sections 16(1)(a) and (c) – the Applicant's date of first use;
- Section 38(2)(b)/Section 12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)]; and

- Section 38(2)(d)/non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Summary of the Opponent's Evidence

[14] The most pertinent parts of the Opponent's evidence may be summarized as follows.

Affidavit of Peter Meehan

[15] Mr. Meehan, Vice President, Corporate Affairs with the Opponent, provides some background information about the Opponent and its use, by predecessors, related companies and licensees of the FERRING marks. He provides a list of a number of products marketed by the Opponent which he states feature one or more of the FERRING marks. Attached as Exhibit C to his affidavit are photocopies of representative sample packaging from some of the listed products. He notes that that there are two products in particular, OCTOSTIM and DDAVP injectable products, that are used to treat blood disorders. He also identifies a number of other products that the Opponent sells under license or distribution agreements with third parties which feature the FERRING marks.

[16] Mr. Meehan indicates that since 1995, total sales in Canada of the Opponent's products in association with one or more of the FERRING marks have been in excess of $393 million [para. 13]. He explains that roughly 2 percent of sales on an annual basis are attributable to the Opponent's haematology products, including OCTOSTIM and DDAVP injectable, totalling in excess of $7 million over the last 15 years.

[17] Mr. Meehan also states that the Opponent's advertising expenses, since 1995, have been in excess of $49 million. He explains that the FERRING marks have been advertised and promoted in Canada over the years through medical journals, brochures, flyers, product information packaging and other consumer communications, through promotional and educational materials and activities such as clinical education meetings, and through the distribution of promotional samples to medical professionals and non prescription drugs to patients and consumers. He provides representative examples of advertising in medical journals,

as well as representative examples of brochures and product information packages which have been distributed in Canada since 2000.

[18] Mr. Meehan also provides some information about two previous applications filed by Apotex, Inc. for FERRIPROX and APOTEX FERRIPROX which were opposed by his company.

[19] Mr. Meehan concludes his affidavit by providing his opinion that the Canadian consumer, including physicians, pharmacists and patients, would be likely to confuse FERRIPROX with the Opponent's FERRING mark, and would believe that the FERRIPROX product is a product produced by or under license from the Opponent. In his experience, the prefix FERRI is not in common use in the pharmaceutical industry and he is not aware of any other pharmaceuticals available for sale in Canada which are sold in connection with the prefix FERRI. I am not prepared to accord weight to these statements of Mr. Meehan as they constitute inadmissible opinion evidence. The likelihood of confusion involves mixed questions of law and fact to be determined by the Registrar on the basis of the factual evidence of record.

[20] Mr. Meehan was cross-examined on June 16, 2010. Below are answers provided by him which I consider to be the most important to the issues in the present case:

- Less than $10,000 per year is spent on advertising OCTOSTIM and DDAVP products in Canada;
- OCTOSTIM and DDAVP are the Opponent's only haematology products and there are no haematology products in the pipeline [q. 91-94];
- The Opponent does not sell any drugs with FERRI in their name in Canada [q. 109];
- The Opponent does not manufacture products in Canada;
- No records exist which would provide information as to which Ferring predecessors marketed and sold the products Mr. Meehan lists in paragraph 8 of his affidavit nor to determine from which dates;

- OCTOSTIM and DDAVP are the Opponent's only haematology products and neither are orally administered or are metal chelating agents;

- With respect to the two applications for FERRIPROX and APOTEX FERRIPROX, he does not know why Apotex, Inc. withdrew the applications and admitted that no decision on the merits were ever made in those oppositions;

- He admits that "ferrous" is a Latin name for iron [q. 135]; and

- He believes that "blood disorders" is a fairly broad category and agrees that there are many types of diseases that could be considered blood disorders. He agreed that different blood disorders require different drugs.

Affidavit of Hitesh Tailor

[21] Mr. Tailor states that he is the same person who swore an affidavit in respect of a previous opposition against an earlier application for the Mark. Attached as Exhibit A to his affidavit is a copy of that earlier affidavit. He states that he is a pharmacist employed by the Opponent and that he is also a practicing community pharmacist with a hospital pharmacy background.

[22] Mr. Tailor states that he was not aware of the FERRIPROX product prior to preparing his first affidavit but upon hearing of the Mark, he immediately thought that the Opponent had come out with a new anti-inflammatory product. He did not think that the source of the product would be a generic drug company such as Apotex, Inc. since Apotex Inc.'s trade-marks usually start with the prefix APO.

[23] In his experience, pharmaceutical companies often use the prefix of their company name as the prefix for some or all of their products including, for example, Apotex Inc. He further states that the manufacturer's name can play a role when dispensing a pharmaceutical product. If he encountered a new product that he had not heard of, such as FERRIPROX, he may well consider that the product name had a connection to the manufacturer's name. Attached as Exhibit B to his affidavit are photocopies from the Directory of Pharmaceutical Manufacturers/Distributors from the *2009 Compendium of Pharmaceuticals and Specialties*

("CPS") which identify these pharmaceutical companies and the products beginning with these prefixes.

[24] I am not prepared to accord weight to those portions of Mr. Tailor's evidence that constitute inadmissible opinion evidence. As noted, the likelihood of confusion involves mixed questions of law and fact to be determined by the Registrar on the basis of the factual evidence of record.

[25] Mr. Tailor was cross-examined on June 16, 2010. Below are those answers provided by him which I consider to be the most important to the issues in the present case:

- When he first saw FERRIPROX, he did not immediately think that it had some relation to iron because his assumption of an iron product is anything starting with "ferrous" or something very similar;

- In answer to undertaking, his own calculations of the results in Exhibit B disclose that approximately 25% of the references (657 of 2600) had a product name with a connection to the company name, with most of these being for generic companies. He suggested that generic companies use the first part of their name in product names 90 – 95% of the time, but admitted that some may not;

- He admitted that brand name companies will not always start product names with their company name;

- He believes the average Canadian pharmacist would be likely to be filling a prescription for a patient with Thalassemia. There are a couple of products to treat Thalessemia distributed through retail pharmacies, namely DESFERAL by Novartis and EXJADE;

- DDAVP is for bedwetting and OCTOSTIM is a concentrated spray of DDAVP and is used for blood disorders, including Von Willebrand; and

- Thalessemia and haemophilia are related only in that they relate to "blood". He is not sure of the distinction between the two. He cannot give the relationship, and does not

have knowledge as to the differences between Thalassemia and the Von Willebrand blood disorder.

Affidavit of Dane Penney, sworn January 7, 2010

[26] Mr. Penney conducted a search on January 6, 2010, of the records of the Canadian Trade-marks Office for active trade-marks containing FERRI in International Class 5. Attached as Exhibit A is a printout of the search criteria he used, along with particulars of trade-marks located in his search. He states that he reviewed the statements of wares and services for each of these references and that the only marks that contained the terms "pharmaceutical", "pharmaceuticals" or "pharmaceutical preparations" are those for which either the Opponent or Applicant are listed as owner.

[27] The search also identified the following active marks that do not include the terms pharmaceutical", "pharmaceuticals" or "pharmaceutical preparations":

- FERRIS, TMA704,775 for wound dressing wares and related services; and
- FERRISELZ, TMA494,917 for contrast medium for digestive organs.

[28] Attached as Exhibit B to his affidavit is a printout from Wikipedia that defines contrast medium as follows: A medical contrast medium (or contrast agent) is a substance used to enhance the contrast of structures or fluids within the body in medical imaging. It is commonly used to enhance the visibility of the blood vessels and the gastrointestinal tract.

Second Affidavit of Dane Penney, sworn January 8, 2010

[29] In his second affidavit, Mr. Penney conducted searches of the Canadian Trade-marks Office for active trade-marks that:

- consist of or contain the product names listed in Schedule A to the first Penney affidavit, which feature the same prefix as the company names;

- are owned by Apotex and consist or contain the prefix APO either as a stand alone word or as a prefix; and

- are owned by Ranbaxy and consist of or contain the prefix RAN either as a stand alone word or as a prefix.

[30] Mr. Penney was cross-examined on June 16, 2011, in respect of both of his affidavits. He stated that he did not conduct any trade-mark searches for marks that began with FERR or FER. Further, with respect to the companies listed in Schedule A of his January 8 affidavit, he does not know anything about the listed companies with respect to whether they are generic or what areas they may specialize in.

Affidavit of Ruth Corbin

[31] Dr. Corbin's affidavit sworn January 7, 2010, attaches as Exhibit A a copy of the affidavit she swore on May 12, 2003, in an opposition by the Opponent to trade-mark application No. 1,015,048 for FERRIPROX, filed by Apotex Inc. Attached as Exhibit B to her affidavit is a copy of her current resume.

[32] Dr. Corbin is Managing Partner and CEO of CorbinPartners, Inc., a business intelligence and forensic research firm. Previously, among other positions, she was the Vice-Chairman, Leger Marketing, an international survey research firm. At the time she swore her 2003 affidavit, she estimated that she had designed or supervised over 1500 surveys.

[33] Dr. Corbin was asked to provide an expert opinion on the likelihood, if any, that Canadian hospital pharmacists outside Quebec would infer that a pharmaceutical product called FERRIPROX would be put out by the Opponent. In order to provide her opinion, she designed a survey and supervised its execution.

[34] The Executive Summary of Dr. Corbin's survey is as follows:

> "A survey of 104 pharmacists in Canadian provinces outside Quebec revealed that 28% of them say that the pharmaceutical FERRIPROX is put out by the Opponent. The margin of error for this result is approximately 8% meaning that one can be 95%

confident that the result for the overall population will be within 8% of the 28% figure. The main reason for their misapprehension is shown to be the prefix F-E-R or F-E-R-R-I. This result is demonstrated in many ways. The results of the survey go further to suggest that in the absence of factual knowledge, a significant percentage of pharmacists are likely to rely on the prefix of a pharmaceutical name, as a matter of "first impression" to infer the source.

[35] Ms. Corbin was cross-examined and avoided directly answering some of the questions that were put to her. She did state the following:

- The survey only considered pharmacists in public hospitals, and not patients, prescribing physicians or specialist doctors; it did not deal with a specialized nature of a disease that the pharmaceutical was treating;

- The question "I will read you a list of 10 names of pharmaceutical companies in Canada" is an aided awareness question";

- When asked if the fact that there are today fewer hospitals in Canada would affect the results of a survey conducted in 2003, Dr. Corbin stated that fewer hospitals would in fact make the survey results more accurate; and

- With respect to projecting the attitudes of pharmacists who work in hospitals, she states that the results of the 2003 survey are equally applicable today.

The Applicant's Evidence

Affidavit of Dian Shaw

[36] Dian Shaw is Manager, Clinical Research at ApoPharma Inc. She states that ApoPharma Inc. is a licensee of the FERRIPROX trade-mark and also a subsidiary of Apotex, Inc., one of the world's leading generic pharmaceutical companies.

[37] Ms. Shaw explains that ApoPharma Inc. conducts research on new chemical entities and develops innovative drugs, with its current focus being in the areas of haematology,

neurodegenerative diseases and psoriasis. She states that the FERRIPROX product is the first innovative drug for the Apotex group of companies. The product is a chelating agent which treats iron overload in patients with transfusion-dependent Thalassemia. She adds that FERRIPROX products first obtained marketing approval from the European Medicines Agency in August, 1999, and are approved in over sixty countries.

[38] Ms. Shaw admits that the FERRIPROX product has not yet received regulatory approval in Canada. However, the preparation currently branded as FERRIPROX has been distributed to Canadian physicians since 1996 under the Special Access Program regulated by Health Canada, Therapeutics Product Directorate (TPD) as part of the ApoPharma Inc. compassionate use program. Access to this product is granted on a patient by patient basis as requested by TPD and ApoPharma Inc. The FERRIPROX product has been distributed in Canada under the Special Access Program since January, 2001. There are 200 thalassemics in Canada, 36 of which were enrolled in the compassionate use program and were taking the FERRIPROX product as of the date of her affidavit.

[39] Attached as Exhibit A to her affidavit is a sample copy of the initial label used for the FERRIPROX product. In addition to displaying the FERRIPROX trade-mark, this label indicates that it is for "clinical trial" and also states the following: "Caution: New Drug Limited by federal (or United States) law to investigational use". Attached as Exhibit B is a sample copy of packaging which is currently used to distribute the FERRIPROX product in Canada.

[40] On cross-examination, Ms. Shaw stated the following:

- The FERRIPROX product is not sold to doctors in Canada;
- The FERRIPROX product has never been sold in Canada;
- The FERRIPROX product is distributed in Canada free of charge;
- ApoPharma Inc. received approval from TPD to use the packaging attached as Exhibit B to the Shaw affidavit in Canada in 2003. Prior to 2003, ApoPharma was using the packaging attached as Exhibit A to the Shaw affidavit which states that it is for Clinical Trial;

- The current FERRIPROX pills have the prefix APO on them; and

- Between January 2001 and May, 2002, five patients were receiving FERRIPROX in Canada.

Affidavit of Fernando Tricta

[41] Dr. Tricta states that he is Vice-President, Medical Affairs at ApoPharma Inc. Prior to this position, Dr. Tricta had been Medical Director of Apotex Inc. since 1999.

[42] Dr. Tricta attaches as Exhibit A to his current affidavit a copy of the affidavit he swore on November 11, 2002 in an opposition by the Opponent to trade-mark application No. 1,015,048 for FERRIPROX, filed by Apotex, Inc.

[43] Dr. Tricta confirms that the FERRIPROX branded chelator has been distributed in Canada free of charge, on a compassionate use basis, since at least 2001. At the time of his 2002 affidavit, he states that there was only one other treatment available for treatment of iron overload in Canada (DESFERAL), which is administered by a daily 8-12 hour subcutaneous infusion.

[44] Dr. Tricta explained in his earlier affidavit that the Opponent's Desmopressin (DDAVP) product has been approved for use for various conditions, including bedwetting in children; diabetes insipidus, a rare form of diabetes; and bleeding disorders, namely von Willebrand Disease, factor VIII deficiency, and Hemophilia A. He explains that DDAVP is a prescription medication and when used to treat bleeding disorders, it is typically administered by injection. In most cases, patients with the types of bleeding disorders for which DDAVP is given would be managed or supervised by a haematologist.

[45] Dr. Tricta states that the conditions for which a metal chelating agent is used are completely unrelated to the conditions referred to above (i.e. bedwetting, diabetes insipidus and bleeding disorders namely von Willebrand Disease, factor VIII deficiency and Hemophilia A). He asserts that there is no reason to expect that a patient requiring a metal chelating agent such as FERRIPROX would require DDAVP or vice versa. While he states that is conceivable that a patient requiring a metal chelating agent could be taking DDAVP for an unrelated condition, he

asserts that this would be extremely rare. He notes that he did not recall any instances where a patient was taking both in his experience as a practicing haematologist.

[46] Dr. Tricta states that the Pharmacovigilance group within ApoPharma Inc. has never cited a name confusion problem between FERRIPROX and the Opponent's products in any of the more than 60 countries where the FERRIPROX product has been approved since the start of data collection or first approval of the FERRIPROX product in 1999.

[47] Dr. Tricta concludes his affidavit by stating that he has been working in the fields of iron overload and Thalassemia since 1981 and has worked in Brazil and Italy where those conditions are more prevalent than in Canada. He states that there are only approximately 200 thalassemics in Canada. In his experience, Dr. Tricta states that confusion between product names in such a patient population would be very unlikely, given the rare nature of the disease and the specialized nature of dealing with such a rare disease. I am not prepared to accord weight to this latter statement of Dr. Tricta as it constitutes inadmissible opinion evidence. As noted, the likelihood of confusion involves mixed questions of law and fact to be determined by the Registrar on the basis of the factual evidence of record.

[48] On cross-examination, Dr. Tricta admitted the following:

- that the FERRIPROX product is not sold in Canada because it has not been approved by Health Canada;
- ApoPharma is not currently working on an application for approval in Canada;
- no one in Canada takes the FERRIPROX product unless Dr. Tricta has approved it personally;
- the FERRIPROX pills have APO engraved on them, and Dr. Tricta has heard physicians refer to Apotex's products as APO products; and
- he does not know the meaning of the term "source confusion" and it is not specifically required that physicians report any instances of what Dr. Tricta calls "name confusion" to Apotex Inc. or ApoPharma Inc. nor are the patients on FERRIPROX required to do so.

Affidavit of Chris Delamere

[49] On August 20 and 30, 2010, Mr. Delamere conducted some searches of CIPO's online database for marks that included "FER" or "FERR" in association with products related to pharmaceutical or health products. Attached as Exhibit A to his affidavit are printouts from some of the results located through his searches, comprising 32 active marks that include FER in the mark, and 22 that begin with the component FER. Exhibit B is a copy of the particulars for the mark FERMALAC.

[50] Mr. Delamere states that he also conducted some searches on the Internet for Canadian references to pharmaceutical or health products with FER in their name. Attached as exhibits to his affidavit are printouts from the following websites:

- www.supplefer.com
- www.activecellpower.com.
- www.enfamil.ca for FER-IN-SOL
- www.biosyent.com for FERAMAX
- www.churchdwight.ca for FERMENTOL
- www.odanlab.com for FERODAN
- www.institut-rosell-lallemeand,com for FERMALAC
- www.platinumnaturals.com for FERROCHEL
- www.tritopharm.ca for NEO-FER
- www.youcandomore.ca for a company called Ferrson Inc.

[51] He conducted a further search of CIPO's online database and located a number of marks in the pharmaceutical field and noted that that many of them did not begin with the first part of the company name [Exhibits M – S]. Attached as Exhibit U to his affidavit is a printout for the definition of the word "ferrous" which he obtained from the website www.dictionary.com.

[52] On cross-examination, Mr. Delamere admitted that several of the products identified by his Internet searches for "Canadian references to pharmaceutical or health products with "FER"

in their name" are either not on sale in Canada (e.g. SUPPLEFER) or he is not familiar with the products and does not know whether they are sold in Canada (FeraMAX, FERMENTOL, FERODAN, FERMALAC VAGINAL, Ferrochel, NEO-FER) nor is he familiar with the company Ferrosan, Inc.

Affidavit of Mike Woolcock

[53] Mike Woolcock is Director, Marketing, Sales and Business Development of ApoPharma Inc. Attached as Exhibit A to his affidavit is a table showing prescription data from Intercontinental Marketing Services (IMS) which Mr. Woolcock states reflects products sold to Canadian hospitals and linked to a prescription. Mr. Woolcock reviewed the data to determine if the product name had a prefix of the company name in it. His analysis disclosed that two basic types of prefixes were seen: 1) a company name prefix followed by the generic name of the drug in question (which is commonly used by generic drug companies); and 2) where the company name was integrated into the product name.

[54] The IMS data confirms that many pharmaceutical product names used by generic drug companies do have a prefix of the company name in it, such as products by Apotex, Pharmascience, Novopharm, Ratiopharm, Genpharm, Novo Nordisk, etc.

[55] On cross-examination, Mr. Woolcock admitted the following:

- he is not nor has ever been an employee of IMS;
- he filtered the IMS data and did not include all of it in his affidavit;
- he did not ask IMS whether it would be prepared to submit an affidavit in this proceeding;
- the FERRIPROX product is not approved and thus not sold in Canada or in the United States nor is there any anticipated launch date for this product in Canada or any Canadian promotional materials currently in development;
- Apotex Inc. is commonly referred to as APO by physicians and pharmacists;

- many of the pills distributed by Apotex Inc. have APO on them and that APO appears on the pills to tell health care providers and patients that they are Apotex Inc.'s pills; and

- APO and 500 appear on each side of pill bisect lines for FERRIPROX pills distributed in Canada and internationally.

[56] In an answer to undertaking, Mr. Woolcock conducted a search of IMS data for the prefixes FERR, FERRI or FER. The list produced is comprised of the following product names and does not show any products beginning with the prefix FERRI: FERROUS SULFATE, FERROUS GLUCONATE, FERRATE, FERROUS FUMARATE and FERRLECIT.

Affidavit of Dr. Chuck Chakrapani

[57] Dr. Chakrapani is the President (Toronto) of Leger Marketing. He was asked to review Ms. Corbin's affidavit and attachments in order to provide a critique of her report. His main findings are that her conclusion that a drug named FERRIPROX would be mistaken as a product put out by the Opponent is untenable because of the following two major flaws: 1) the question that purports to measure misapprehension is a leading question which assumes what needs to be proved (i.e. that a pharmacist would have a belief about the source of Ferriprox, as a matter of first impression); and 2) the question sequencing is biased. In this regard, he states that the questionnaire first informs or confirms the existence of a pharmaceutical company in Canada called Ferring Inc. and repeats the name Ferring three times prior to ascertaining which pharmaceutical company a pharmacist would consider to be the source of FERRIPROX. He also states that the study included no control conditions.

[58] Dr. Chakprani was cross-examined on January 12, 2011, wherein he revealed the following:

- he was President of Leger Marketing at the time of the Corbin survey;

- Leger Marketing is not aware that Dr. Chakprani is commenting on a survey conducted by Dr. Corbin of Leger Marketing;

- Two current employees of Leger Marketing were involved in conducting Dr. Corbin's survey;

- When asked about the apparent conflict of Leger Marketing providing a critique of its own survey, he states that he was retained personally through his company Standard Research Systems and not Leger Marketing; and

- Dr. Corbin filed a complaint against him with the Marketing Research and Intelligence Association in June, 2009. The substance of it was that Dr. Corbin claims that some of her boilerplate sentences written in 1998 were reproduced later by him in his affidavits.

Preliminary Issues

Admissibility of Corbin Affidavit

[59] As previously noted, the Opponent filed the affidavit of Dr. Ruth Corbin, a survey expert, as part of its evidence concerning the issue of confusion. Her affidavit attaches as Exhibit A a copy of an affidavit she swore May 12, 2003, in the context of an earlier opposition by the Opponent against an application filed for FERRIPROX by Apotex Inc. Attached as Exhibit B to her affidavit is a copy of the report she prepared on May 12, 2003, based on a survey she conducted of pharmacists in public hospitals in Canada between April 28 and May 6, 2003.

[60] The relevance and admissibility of expert evidence in trade-mark cases was recently discussed by the Supreme Court in *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC). In that case, Justice Rothstein reminded us that in order to be admissible, expert evidence must meet the four criteria set out in *R v Mohan* , [1994] 2 SCR 9 as follows:

- relevance;
- necessity in assisting the trier of fact;
- absence of any exclusionary rule; and
- a properly qualified expert.

[61] The concept of relevance in survey evidence, as described by the Supreme Court of Canada in *Mattel, Inc v 3894207 Canada Inc* (2005), 49 CPR (4th) 321 (SCC), includes the following issues: 1) reliability (in the sense of producing the same results if repeated; and 2)

validity (in the sense of asking the right questions to the right pool of respondents in the correct circumstances to provide the information sought). While I am satisfied that the Corbin survey satisfies the reliability criteria, I have concerns about the validity of the survey for the following reasons.

[62] First, the survey was conducted nearly five years before the Applicant's filing date. Thus, the circumstances in which the survey had been conducted would have changed between this date and most of the material dates for the grounds of opposition.

[63] Second, the survey only considered pharmacists in public hospitals, and not prescribing physicians and patients.

[64] Third, at the date of the survey, the Applicant had not yet established a presence in the pharmacist professional community. In this regard, the evidence shows that FERRIPROX has not received regulatory approval in Canada and has only been distributed to Canadian physicians under Health Canada's Special Access Program on a patient by patient basis. The drug has only been supplied to centres which specialize in the treatment of the medical condition in major urban centres such as Toronto, Montreal and Vancouver. The exclusion of Quebec from the survey leaves out a major pool of respondents in a region (Montreal) where FERRIPROX has been distributed.

[65] Fourth, the Court held in *Masterpiece* at para. 96 that for a survey to be valid, there must be some consumers who have an imperfect recollection of the first mark. The Court further stated that simulating an "imperfect recollection" through a series of lead-up questions to consumers is rarely seen as reliable and valid. It is doubtful from the evidence that the pharmacists surveyed would have had an imperfect recollection of the FERRIPROX mark.

[66] In view of the above, I have not given any weight to the Corbin survey evidence.

Admissibility of Chakrapani Affidavit

[67] As noted above, the Chakrapani affidavit was submitted to provide an opinion on the validity of the Corbin survey. I have my doubts whether this evidence satisfies the four requirements for expert evidence to be admissible as set out in *R v Mohan*, above. In any event,

it is clear in my view from the facts revealed by Dr. Chakrapani during his cross-examination that he was in a conflict of interest position when he swore his affidavit. As a result, I have not given any weight to his evidence.

Admissibility of Health Canada Fact Sheet and Guidance Documents and Food and Drug Regulations

[68] In its written argument, the Opponent referred for the first time to the *Canadian Food and Drug Regulations*, as well as to a "Fact Sheet" and two "Guidance Documents" from Health Canada. The Applicant submits that none of these documents have been properly submitted as evidence and should therefore be disregarded.

[69] I agree with the Applicant that the guidance documents and fact sheet are inadmissible and cannot be considered. Had the Opponent wished to enter the policy objectives of Health Canada's Special Access Program as evidence, it could have done so by attaching these documents as exhibits to a sworn affidavit from someone who had personal knowledge of this program.

[70] I will, however, have regard to the *Canadian Food and Drug Regulations* because it is federal law. I also know that part of it was previously referred to as part of the Applicant's evidence [Shaw affidavit, Exhibit D; Shaw cross-ex., q. 61].

Section 30(i) Ground of Opposition – Non-Conformity

[71] This ground has been broken down into two parts. First, the Opponent has alleged that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada at the time of filing of the application in association with the applied for wares in view of the prior use and/or registration of the Opponent's FERRING trade-mark and trade-name . Second, the Opponent has also alleged that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada as such use would have the effect of depreciating the value attached to the Opponent's trade-mark, which would be contrary to section 22 of the Act.

[72] Section 30(i) of the Act merely requires that an Applicant declare in its application that it is satisfied that it is entitled to registration of its trade-mark. Jurisprudence suggests that non-

compliance with section 30(i) can be found where there are exceptional circumstances which render the applicant's statement untrue, such as bad faith [see *Sapodilla Co v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB), at 155; *Cerverceria Modelo, SA de CV v Marcon* (2008), 70 CPR (4th) 355 (TMOB) at 369] or where there is a *prima facie* case of non-compliance with a federal statute [see *Interactiv Design Pty Ltd v Grafton-Fraser Inc* (1998), 87 CPR (3d) 537 (TMOB), at 542-543)].

[73] I note that the Applicant has made the requisite statement and there is no evidence that it did so in bad faith. Further, mere knowledge of the existence of the Opponent's FERRING trade-mark or trade-name does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Mark [see *Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc* 2012 TMOB 197 (CanLII)].

[74] With respect to the allegation of a violation of section 22 of the Act, as stated by my colleague, Member de Paulsen, in *Euromed Restaurant Ltd v Trilogy Properties Corp* (2012), 99 CPR (4th) 445, (TMOB) at para 13:

> Neither the Registrar, nor the Federal Court has ruled on whether a section 30(i) ground of opposition based on the violation of section 22 is a valid ground of opposition [*Parmalat Canada Inc. v. Sysco Corp.* (2008), 69 CPR (4th) 349 (FC) at paras. 38-42]. Even if I found this to be a valid ground of opposition, the Opponent has failed to adduce any evidence supporting a likelihood of depreciation of goodwill which would support such an argument [see *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC) at paragraphs. 46, 63-68].

[75] Similarly, even if I found the section 30(i) ground to be a valid ground of opposition in the present case, the Opponent has failed to adduce sufficient evidence supporting a likelihood of depreciation of goodwill which would support a violation of section 22 [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC) at paras 46 and 63-68]. It would therefore have no chance of success.

[76] For the reasons set out above, the section 30(i) ground of opposition is dismissed.

Non-compliance with Section 30(b) of the Act

[77] The Opponent has pleaded that the application does not conform to the requirements of section 30(b) of the Act in that the Applicant has not used the Mark in association with the wares pursuant to section 4(1) of the Act since the May 31, 2002 claimed date of first use.

[78] An opponent's evidential burden under section 30(b) is light [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB) at 89] and can be met by reference not only to the opponent's evidence but also to the applicant's evidence [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD) 216 at p. 230]. However, while an opponent may rely upon the applicant's evidence to meet its evidential burden in relation to this ground, the opponent must show that the applicant's evidence is *clearly inconsistent* with the applicant's claims as set forth in its application. The applicant does not bear the initial burden of proving use of the mark in association with the wares listed in the application since the date of first use claimed.

[79] In the present case, the Opponent is relying on the Applicant's evidence to support its section 30(b) ground of opposition.

[80] Relying in part on the *Canadian Food and Drug Regulations*, the Opponent submits that pharmaceutical preparations cannot be distributed or sold "in the normal course of trade" until such time as the product manufacturer has obtained regulatory approval for the product, by way of a Notice of Compliance issued by Health Canada. A new drug is not issued a Notice of Compliance until the Minister of Health finds that the benefits of the new drug outweigh the risks and the risks can be mitigated.

[81] For the reasons set out below, the Opponent submits that the Applicant has not used the Mark in the normal course of trade in Canada since May 31, 2002:

- The Applicant admits that the FERRIPROX product has not received regulatory approval in Canada;

- The FERRIPROX product has never been sold in Canada;

- An application has not been filed for regulatory approval to market FERRIPROX in Canada nor is the Applicant currently working on an application for regulatory approval;

- There is no launch date for the FERRIPROX product in Canada or any Canadian promotional materials currently in development; and

- Any permitted distribution of the FERRIPROX product on a compassionate use basis is not intended to circumvent the clinical trials review and approval process. The Applicant failed to explain why it had not conducted the clinical trials requested by Health Canada in 1999.

[82] At the oral hearing, the Opponent also argued under this ground that if use of the Mark has been shown, it has not been shown by the Applicant as there is no evidence of any license agreement or control pursuant to section 50(1) of the Act between the Applicant and ApoPharma, Inc.

[83] I will begin by addressing the issue of whether the Applicant's purported use of the Mark in Canada enures to its benefit.

[84] The only way that third party use of a trade-mark is deemed to be that of the trade-mark owner is when s. 50 of the Act is satisfied. Sections 50(1) and (2) are reproduced below:

> 50. (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.
>
> (2) For the purposes of this Act, to the extent that public notice is given of the fact that the use of a trade-mark is a licensed use and of the identity of the owner, it shall be presumed, unless the contrary is proven, that the use is licensed by the owner of the trade-mark and the character or quality of the wares or services is under the control of the owner.

[85] In the present case, Ms. Shaw states in her affidavit that Apotex Inc. is the parent company of the Applicant. ApoPharma Inc. is a subsidiary of Apotex Inc. and is a licensee of the Mark. There is no reference anywhere in the evidence to the Applicant having the requisite control over the character or quality of the wares sold in association with the Mark. Further, on cross-examination at q. 26, Ms. Shaw admits that she has no personal knowledge of the license agreement between the Applicant and ApoPharma Inc. nor is aware of the terms of the license agreement. Dr. Tricta and Mr. Woolcock also admitted on cross-examination that they had not seen the license agreement (Tricta, q. 16 and Woolcock, q. 136).

[86] While section 50(1) does not require a license agreement to be produced in writing, it does require that the owner of the Mark have direct or indirect control over the character or quality of the wares sold in association with the Mark. The fact that ApoPharma Inc. and the Applicant are both subsidiaries of Apotex Inc. does not remove the need for quality control and the requirement that the use of the Mark be under license pursuant to section 50 of the Act. In this regard, corporate structure alone does not establish the existence of a licensing arrangement. At p. 254 of the decision in *MCI Communications Corp v MCI Multinet Communications Inc* (1995), 61 CPR (3d) 245 (TMOB) at p. 254, Member Martin commented as follows:

> It was therefore incumbent on the opponent to evidence facts from which it could be concluded that an informal licensing arrangement existed and that the opponent had direct or indirect control of the character or quality of the services provided pursuant to that licensing arrangement. The opponent contends that it has met that burden by showing that MCIT and MCII are its wholly owned subsidiaries. That fact alone is, in my view, insufficient to establish the existence of a license within the meaning of s.50. There must also be evidence that the opponent controls the use of its trade-marks by its subsidiaries and takes steps to ensure the character and quality of the services provided.

[87] In view of the above, I must conclude that any use that has been shown does not inure to the benefit of the Applicant pursuant to section 50 of the Act. This ground of opposition is therefore successful.

[88] In view that the Opponent has succeeded under this part of this ground, I do not consider it necessary to consider the Opponent's other arguments under this ground. However, I will say in passing that, in my view, the free distribution of a pharmaceutical preparation on a compassionate use basis may be considered use in the normal course of trade for the

pharmaceutical industry. While the compassionate use program has been set up to address exceptional situations, the fact remains that it is an official program administered by Health Canada. As noted above, this program allows practitioners to request compassionate access to drugs that are unavailable for sale in Canada on a patient by patient basis. The Applicant's FERRIPROX product cannot legally be "sold" until it has regulatory approval. However, there is still an "exchange" of the FERRIPROX product for the acquisition of goodwill by the Applicant and for the health benefit of the patient.

Grounds of Opposition Premised on Allegation of Confusion

[89] The Opponent has pleaded grounds of opposition pursuant to sections 38(2)(b)/12(1)(d), 38(2)(c)/16(2)(a) and (c) and 38(2)(d)/2 of the Act. Each of the grounds of opposition is premised on the allegation that there is a likelihood of confusion between the Mark and the Opponent's FERRING trade-mark or the Opponent's FERRING trade-name.

[90] The Opponent's case regarding confusion is strongest under the section 38(2)(b)/12(1)(d) ground of opposition because its later material date allows all of the Opponent's evidence concerning its reputation to be considered. Therefore, if the Opponent is not successful under section 38(2)(b), then it will not be successful under either section 38(2)(c) or (d).

Section 12(1)(d) Ground of Opposition

[91] The Opponent has pleaded that the Mark is not registrable pursuant to section 12(1)(d) of the Act because it is confusing with the Opponent's FERRING trade-mark.

[92] As each of the Opponent's registrations is extant, the Opponent has met its initial burden under section 12(1)(d). The most relevant of the Opponent's two FERRING registrations is registration No. TMA660,178 registered in association with the following wares:

> (1) Pharmaceutical preparation that modulates fertility and for use in the induction and stimulation of ovulation in humans in injectable form; pharmaceutical preparations for use as a laxative, bowel cleanser and diagnostic aid in powder form.
> (2) Pharmaceutical preparations and substances in intravenous form for the

prevention of premature labour and premature birth.

(3) Pharmaceutical preparations for human and animal use in tablet, nasal spray and injectable form which regulate the flow of urine and controls the body's water balance and in injectable form for blood clotting.

(4) Pharmaceutical preparation for the treatment of intestinal bowel diseases and certain auto-immune diseases in tablet, enema and suppository form.

(5) Brain peptide in injectable form which modulates the pituitary function.

(6) Human and animal pharmaceutical preparation used as a vasoconstrictor and in the control of water metabolism in injectable form.

(7) Hypothalmic releasing substance for use in human and veterinary medicine as a diagnostic and therapeutic agent.

(8) Pharmaceutical preparation consisting of gonadotropin releasing hormones for human and animal use.

(9) Pharmaceutical preparations in liquid form for the treatment of hypercalcemia.

(10) Pharmaceutical preparation for human and animal use in liquid and nasal spray form which regulates the body's coagulation system.

(11) Pharmaceutical preparations, namely a pessary for cervical ripening and induction of labour at term.

(12) Pharmaceutical preparations for human use which regulate uterine contractions in injectable form.

(13) Antiprotozoal and antibacterial agent in modified release tablet form.

[93] Having found that the Opponent has met its initial burden, I will now turn to an assessment of the likelihood of confusion.

[94] The test for confusion is one of first impression and imperfect recollection.

[95] Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the

same general class. Section 6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source.

[96] In the case of pharmaceutical products, additional considerations apply. The "ordinary consumers" to be considered include not only physicians and pharmacists, but also the "ultimate consumers", that is the patients for whom FERRIPROX pharmaceuticals are prescribed and to whom they are supplied, even though their only access to it is through a physician: *Ciba-Geigy Canada Ltd v Apotex Inc (1992)*, 3 SCR 120, 44 CPR (3d) 289.

(a) the inherent distinctiveness of the trade-marks

[97] Both parties' marks are inherently strong as they are comprised of coined words. The Mark is slightly weaker than the Opponent's mark because the component "fer" is the French word for iron and is therefore somewhat suggestive of the Applicant's wares.

[98] The Mark has been used since at least May 31, 2002. Only a small number of Canadians have Thalassemia but a significant percentage of them have been treated with the Applicant's product.

[99] I am satisfied from the Opponent's sales of in excess of $393 million since 1995 and extensive advertising that the Opponent's mark has become known in association with the development, marketing and sale of a variety of pharmaceutical products across Canada. The Opponent's FERRING mark has become known to a lesser extent, however, with its haematology products including OCTOSTIM and DDAVP injectable. In this regard, sales and advertising for these products have not been as substantial (i.e. approx. $7 million in sales for these products between 1995 and 2010 and less than $10,000 per year in advertising for these products).

[100] In view that the Opponent's mark has generally become more well known in Canada among the ordinary consumers of pharmaceutical products, I consider that this factor favours the Opponent.

(b) the length of time each has been in use

[101] The length of time that each mark has been in use favours the Opponent.

(c) the nature of the wares, services or business; and (d) the nature of the trade

[102] Considering the nature of the wares and/or services and the nature of the trade, I must compare the wording of the wares in the application for registration with the wording of the wares in the registrations referred to by the Opponent [see to this effect *Henkel Kommanditgesellschaft Auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)]. However, these descriptions must be read with a view to determining the parties' probable type of trade rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful [see to this effect *McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA); *Procter & Gamble Inc v Hunter Packaging Ltd* (1999), 2 CPR (4th) 266 (TMOB); *American Optical Corp v Alcon Pharmaceuticals Ltd* (2000), 5 CPR (4th) 110 (TMOB)].

[103] Both the Applicant and the Opponent are pharmaceutical companies that develop, manufacture, and distribute drug products. While both parties' wares cover pharmaceutical preparations, the pharmaceutical preparations are for distinctly different uses.

[104] The Applicant's FERRIPROX product is a metal chelating agent that removes excess metals from a patient who is suffering from iron overload. Users are under the care of a haematologist and other specialists, and are typically treated in major urban centres which specialize in the treatment of Thalassemia such as in Toronto, Montreal and Vancouver [Shaw affidavit, para. 5; Tricta affidavit, Exhibit A and Woolcock affidavit, para. 2].

[105] The Opponent's mark is registered for a number of different pharmaceutical preparations, the most relevant of which is as follows: pharmaceutical preparations for human and animal use in tablet, nasal spray and injectable form which regulate the flow of urine and controls the body's water balance and in injectable form for blood clotting. The evidence shows that the Opponent's only pharmaceutical products for the treatment of blood disorders are OCTOSTIM and DDAVP injectable and neither of these products are used to treat Thalassemia.

[106] From the evidence furnished, it is clear that there are differences between the parties' products. However, to the extent that both comprise pharmaceutical preparations, I consider them to be related.

[107] With respect to the parties' channels of trade, as described in paragraph 13 of the Meehan affidavit, the Opponent's products are sold in Canada through pharmacies, by prescription or over/behind the pharmacy counter, in health food stores and directly to hospitals. To date, the Applicant's product has only been distributed to doctors in Canada through Health Canada's Special Access Program.

[108] In view of the unique facts of this case, I consider it relevant to reproduce both parties' written arguments on this issue.

[109] The applicant asserts the following at para. 128 of its written argument:

> "As noted above, the Applicant's evidence demonstrates that its wares are used to treat a very rare disease, and the "market" of those dealing with its FERRIPROX product is highly specialized. This is not an over-the-counter product. The use of the mark so far has been in the nature of "compassionate use" but even if the use changes, it is clear that, given the rare nature of the disease, use of the FERRIPROX product will be by a very specialized group of people and a small patient population. Significant care will be taken in the dispensing of the FERRIPROX product such that confusion will be unlikely. There is no evidence that the Opponent markets any competing products that will be encountered by the same health professionals and patients in that context."

[110] The Opponent, on the other hand, makes the following submissions at paras. 182-184 of its written argument:

> While currently the FERRIPROX product is only distributed to doctors in Canada through Health Canada's SAP, if the Applicant ever obtains regulatory approval to market its FERRIPROX product in Canada, the FERRIPROX product could be sold through directly overlapping channels of trade.
>
> In fact, as stated in the affidavits of both Mr. Tailor and Dr. Tricta, there are already two products for the treatment of Thalassemia… distributed in Canada through retail pharmacies (EXJADE and DESFERAL). This suggests that, if approved, the FERRIPROX product may also be sold through retail pharmacies, in which the channels of trade for the FERRIPROX product and Ferring's products would be identical.
>
> Further, as noted in Dr. Tricta's affidavit, it is possible that a patient requiring a metal chelating agent (such as FERRIPROX) could be taking desmopressin (a FERRING product) for an unrelated condition.

[111] In view of the differences between the parties' products, and in particular the highly specific nature of the Applicant's product for such a small patient population, I consider it

unlikely that the parties' channels of trade would overlap. However, as noted above, I must consider the Opponent's wares as registered and the pharmaceutical preparations described in the Applicant's application. Although there is no evidence that the Applicant's product would ever be sold in a pharmacy, the Applicant's application is not restricted in this regard. It is therefore possible that the parties' channels of trade could overlap.

(e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[112] The marks in issue resemble each other to some degree in appearance, sounding and ideas suggested because both marks begin with the letters FERRI. However, it is the marks in their entirety that must be considered.

[113] Ordinarily it is the first portion of a mark that is the most important for the purpose of distinguishing between marks. However, when the first portion of a mark is a common descriptive word, its importance diminishes [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 CPR (2d) 183 at 188 (FCTD); *Vancouver Sushiman Ltd v Sushiboy Foods Co* (2002), 22 CPR (4th) 107 (TMOB)].

[114] In the present case, the component FER or FERR may be considered as the dominant first portion of each of the marks. In view that the idea suggested by the component FER is that the product has something to do with iron, there would be a tendency to discount the importance of the prefix FER in the parties' marks and therefore a tendency to focus more on their other components. The second portions of the parties' marks bear no resemblance to one another.

additional surrounding circumstances

state of the register evidence and state of the marketplace evidence

[115] As noted above, Mr. Delamere introduced into evidence the results of searches of the Canadian trade-marks register, which he conducted on September 1, 2010, for marks that included FER and FERR in association with pharmaceutical or health products. He also filed excerpts from Web sites concerning products allegedly marketed under various FER prefixed names.

[116] State of the register evidence is usually introduced to show the commonality of a mark or a portion of a mark in relation to the register as a whole and is only relevant insofar as one can make inferences from it about the state of the marketplace [see *Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD)]. Inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located [see *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA)].

[117] Mr. Delamere located at least 18 active third party marks for pharmaceutical or health products that include the component "fer" or "ferr" as a prefix. I note that at least 14 out of the 18 marks were registered prior to the earliest material date for the issue of confusion (i.e. May 31, 2002).

[118] The Opponent, however, submits that in the material attached to Mr. Delamere's affidavit, only three marks begin with the prefix "FERR" and none with the prefix "FERRI". The Opponent also pointed to deficiencies in Mr. Delamere's state of the marketplace evidence.

[119] Further, the Opponent pointed to Mr. Woolcock's search of IMS data for product names with the prefixes FERR, FERRI or FER which did not show any products beginning with the prefix "FERRI" and only five products which names include the prefix FERR. The Opponent submits that this evidence contradicts the evidence of Mr. Delamere.

[120] I agree with the Opponent that little weight can be given to Mr. Delamere's state of the marketplace evidence. The Internet excerpts, as filed, do not establish the truth of their content. Further, and as indicated above, Mr. Delamere himself admitted the limitations of his searches when he was cross-examined.

[121] I disagree with the Opponent, however, that only those marks that begin with FERRI or FERR are relevant to the issue of confusion in this case. In this regard, and as noted above, the component FER can easily be considered the first syllable and common component of both parties' marks.

[122] In assessing confusion, where two marks contain a common element, the presence of that common element in a number of other trade-marks on the register in the market causes

purchasers to pay more attention to other features of the respective marks to distinguish between them. In my view, the number of registered marks that begin with the prefix FER is sufficient for me to conclude that it is common in the marketplace to adopt FER prefixed marks in the pharmaceutical and health product field as that occupied by the parties. Accordingly, consumers are presumably adept at distinguishing between one such mark and another.

none of the Opponent's products are branded with the FERRING mark

[123] The Applicant submits that a relevant surrounding circumstance to consider is the manner of use of the Opponent's mark. In this regard, the Applicant submits that none of the Opponent's products are branded with the FERRING mark but instead show use of the FERRING business name on the package, and often right above or close to the Opponent's address.

[124] Further, the Applicant submits that in many of the Opponent's examples of packaging, two company names appear on the packaging. It therefore appears that the Opponent is a distributor or agent for these other brand owners. For example, the Opponent has admitted that it distributes the CERVIDIL product, among others, under a distribution agreement with the trade-mark owner Pharmacsiences Inc. appearing on the package. The Applicant submits that this causes some confusion as to ownership and distinctiveness of the marks used.

[125] I agree with the Applicant that the manner in which the Opponent has used its FERRING mark as shown in the evidence to date reduces the acquired distinctiveness the Opponent's FERRING mark may have acquired in association with its individual products.

Relationship between pharmaceutical company names and the first part of product names

[126] The Opponent submits that another surrounding circumstance is the fact that generic drug companies often use the first part of their company name as the first part of their product names. In this regard, and as noted above, of the 2600 product names listed in the photocopies from the 2009 CPS attached as Exhibit B to the Tailor affidavit, 657 (25.27%) have a connection between the product name and the company name [answers to undertaking, q. 96]. The Opponent submits that because the Mark shares the same component as the beginning of the Opponent's company

name, the perception for the consumer would be that the Opponent is the source of the Applicant's product.

[127] I found the evidence on this point confusing mainly because the Opponent claims to be a leading manufacturer of brand name pharmaceuticals. As Mr. Tailor acknowledged, branded products are less likely to use the first part of the company name. It therefore seems less likely that a consumer would perceive that the Opponent is the source of a product that begins with the prefix FERRI.

[128] The evidence also shows that this practice may be more common with generic products and FERRIPROX is not a generic product. It is a highly specialized innovative product designed for a very specific small group of the patient population.

[129] I therefore do not consider this to be a relevant surrounding circumstance.

The issue of drug errors

[130] The Opponent submits that the possibility of errors in prescribing or dispensing drugs is a further relevant surrounding circumstance that should be considered in the present case.

[131] In *SmithKline Beecham Corp v Pierre Fabre Medicament* [1988] TMOB 141, the Board discussed whether particular care should be exercised in applying the statutory standard fixed by section 6(2) of the Act in the pharmaceutical field. The Board held that there is only one statutory standard fixed by section 6(2) of the Act, and the essential question to be determined is expressly related to source of product. In other words, the standard of confusion in opposition proceedings relating to pharmaceuticals is not different than that applicable to other wares.

[132] In view of the above, I find that the possibility of errors in prescribing or dispensing of drugs is not directly related to the likelihood of confusion as to the source of the product, which is the issue for decision in this case.

Conclusion re likelihood of confusion

[133] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. In the particular unique circumstances of this case, I arrive at the

conclusion that there is no likelihood of confusion between the Mark and the Opponent's FERRING mark.

[134] For the reasons explained above, and in particular the differences between the marks FERRIPROX and FERRING, the fact that the parties' pharmaceutical preparations are used to achieve different therapeutic effects, the rare nature of the disease the Applicant's product is used to treat, the common use of FER prefixed marks in the pharmaceutical and health product field occupied by the parties, and notwithstanding the extent known of the Opponent's mark in association with a wide variety of pharmaceutical products, I conclude that the Applicant has discharged its burden of establishing, on a balance of probabilities, that the Mark is not confusing with the Opponent's FERRING trade-mark. Accordingly, I dismiss the registrability ground of opposition.

Remaining Grounds of Opposition

[135] As indicated earlier, the section 12(1)(d) ground presented the Opponent's strongest case with respect to the issue of confusion. Therefore the remaining grounds that are all premised on the allegations of confusion fail for reasons similar to those set out with respect to the section 12(1)(d) ground.

Disposition

[136] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

_____

Cindy R. Folz
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office