IN THE MATTER OF AN OPPOSITION by
Novopharm Limited and Apotex Inc.
to application No. 815,154
for the trade-mark Pink, Circular, Bi-convex Tablet Design
filed by Astra Aktiebolag and now owned by AstraZeneca AB

On June 12, 1996, Astra Aktiebolag filed an application to register the trade-mark Pink, Circular, Bi-convex Tablet Design. The application is based upon proposed use of the trade-mark in Canada in association with pharmaceutical tablets containing omeprazole magnesium for use in the treatment of duodenal ulcer, gastric ulcer, reflux esophagitis, Zollinger-Ellison syndrome and other conditions where a reduction of gastric acid secretion is required. The application was advertised for opposition purposes in the Trade-marks Journal of May 27, 1998. The English language portion of the advertisement is reproduced below:

On October 27, 1998, Apotex Inc. and Novopharm Limited each filed a statement of opposition with respect to application No. 815,154. On December 22, 1998, the applicant filed and served its counter statements.

On July 29, 1999, Apotex Inc. and Novopharm Limited requested leave to combine their oppositions into one proceeding and to file an amended statement of opposition. By letter dated December 8, 1999, the Trade-marks Opposition Board granted leave to amend the statement of opposition. Although such letter did not specifically refer to leave being granted to combine the oppositions, I consider such leave to be implicit in the acceptance of a single statement of opposition that refers to one joint opponent. In the event that I am wrong about this, then I now grant leave for the combining of the opponents. References hereinafter to the "opponent" refer to Novopharm Limited and Apotex Inc. jointly.

The opponent filed seven affidavits as its rule 41 evidence, namely the affidavits of Phillip Lackman (a pharmacist), Brian Walsh (a representative of Novopharm Limited), Andrew Chabursky (a pharmacist), Alan Joseph Mihic (a family physician), Gregory Haber (a physician/gastroenterologist), Colin Simpkin (a representative of Apotex Inc.), and Anna Hucman (a legal assistant). The applicant obtained orders for the cross-examination of each of these affiants. The opponent was unable to make Mr. Walsh available for cross-examination and consequently requested and obtained leave to substitute an affidavit of John Andonoff, another representative of Novopharm Limited, for the Walsh affidavit. Accordingly the affidavit of Mr. Walsh no longer forms part of the record. Transcripts of the cross-examinations of each of the

opponent's affiants have been filed and form part of the record. In addition, the answers to the undertakings given with respect to Questions 179 and 416 of the Chabursky cross-examination form part of the record.

The applicant filed two affidavits as its rule 42 evidence, namely the affidavits of Stephen Wilton (a representative of AstraZeneca Canada Inc.) and Adam Pignataro (a pharmacist). The opponent requested and obtained leave to cross-examine these two affiants and transcripts of such cross-examinations are included in the record.

On February 29, 2000, the applicant requested leave to amend its counter statement. On May 23, 2001, the opponent requested further leave to amend its statement of opposition. In two letters dated November 23, 2001, the Trade-marks Opposition Board granted the leave requested by each party.

On February 22, 2001, the Canadian Intellectual Property Office recorded AstraZeneca AB as the owner of the present application.

Each party filed a written argument and each was represented at an oral hearing.

A few days before the oral hearing was held, the applicant filed a letter with proposed amendments to its application. Three of the amendments referred to the resulting registration not being enforceable in respect of wares not containing omeprazole or omeprazole magnesium. By

letter dated December 8, 2003, the Opposition Board informed the applicant that these proposed amendments would not be made of record.

Introduction re Grounds of Opposition

The opponent has pleaded that the application does not comply with section 30 of the *Trade-marks Act* in numerous respects. In addition, it has pleaded that the applicant's alleged mark is not registrable because a) it is a distinguishing guise and the requirements of section 13 have not been met and b) it is a prohibited mark within the meaning of section 10. Finally, the opponent pleads that the mark is not distinctive for several reasons.

The material date with respect to each ground of opposition is as follows: section 30 - the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469 at p. 475]; section 13 - the filing date of the application; paragraph 12(1)(e) – the date of my decision [see *Allied Corporation v. Canadian Olympic Association* (1989), 28 C.P.R. (3d) 161 (F.C.A.) and *Olympus Optical Company Limited v. Canadian Olympic Association* (1991), 38 C.P.R. (3d) 1 (F.C.A.)]; non-distinctiveness - the date of filing of the opposition [see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 at p. 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 412 at p. 424 (F.C.A.)].

The applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the *Trade-marks Act*. However, there is an initial evidential 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 Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at p. 298].

Summary of Evidence

Before turning to the specific grounds of opposition, it is useful to summarize some of the evidence.

The medication with which the applicant claims to have used the applied for trade-mark is marketed under the trade-mark LOSEC. The applicant sells its LOSEC omeprazole magnesium in two dosages. The 10 mg dosage is sold in the form intended to be protected by the present application. The form of the 20 mg dosage is the subject of another trade-mark application. Both dosages have the trade-mark LOSEC written in black on the pill, with 10 or 20 written below depending on the dosage. Prior to 1996, the applicant sold medication under the LOSEC trade-mark that comprised omeprazole, rather than omeprazole magnesium, and that LOSEC product took the form of a two colour capsule. I note however that some of the affiants refer to the present LOSEC product as simply omeprazole, rather than omeprazole magnesium.

The applicant's LOSEC 10 mg product is most often sold in compliance packs, which consist of an outer cardboard box in which are enclosed sleeves of blister packs of the tablets. The blister packs prominently display the LOSEC trade-mark on the back. The front of the outer box is shown below, magnified for easier reproduction:

When the evidence was filed in these proceedings, omeprazole magnesium was sold only by prescription in Canada and the applicant was the only source of omeprazole magnesium. However, at some point of time, other pharmaceutical companies may be entitled to market omeprazole magnesium. Furthermore, at least under some of the provincial regimes, when a prescription is written for a certain active ingredient, a pharmacist will be entitled, and sometimes obliged, to dispense the cheapest version, unless the prescription indicates a specific brand and "no substitutions". When generic pharmaceutical products enter the market in Canada, they are frequently manufactured in the same colour, size and shape as the original [Lackman affidavit, paragraph 16; Mihic affidavit, paragraph 22].

Based on the evidence before me, I conclude that doctors are not particularly familiar with the appearance of the pharmaceutical preparations that they prescribe [Haber affidavit, paragraphs 7 and 9; Mihic affidavit, paragraph 12]. Pharmacists are naturally more familiar with the look of various medications given that it is their job to ensure that the drug prescribed is the drug dispensed. When dispensing pharmaceuticals, pharmacists check the drug identification number ("DIN") on the bottle or box and the brand name. The pharmacists who have given evidence differ somewhat on the role that is played by the tablet markings and the tablet colour, shape and/or size. Mr. Chabursky indicates that he also checks the tablets' markings, colour, shape and size when he dispenses [Chabursky affidavit, paragraph 31; cross-examination, questions 375-401]. Mr. Lackman states that the appearance of a tablet is a useful double check when he dispenses drugs that are not blister packed [Lackman affidavit, paragraph 25]. In the case of LOSEC, Mr. Lackman often does not open the box. When he does open the box, he cannot help but notice the tablet markings, colour, size and shape [Lackman cross-examination, questions 171-180]. Mr. Pignataro states at paragraph 4 of his affidavit, "During the dispensing process, I rely on the colour, shape and size of the LOSEC brand of omeprazole magnesium tablets as a means to confirm that the correct product, namely the LOSEC brand, is being dispensed." During his cross-examination, Mr. Pignataro confirmed that when dispensing he relies on the trade-mark LOSEC, the tablet's colour, shape and markings and the DIN number [Questions 171-173]. He also stated that if he was given a pill that was the same colour, same shape and same size as the LOSEC pill, which did not say LOSEC on it, he would not dispense it as a LOSEC tablet [Question 181].

When a patient picks up his/her prescription at a pharmacy, it is typically enclosed in a paper bag and therefore not visible to the purchaser. However, when a new medication has been prescribed for an individual, a pharmacist may show the product to the patient while he or she counsels concerning its use.

Patients become most familiar with the look of their medication through consumption. According to the packaging, LOSEC is typically initially prescribed for 1 to 8 weeks, but the product monograph does refer to some longer maintenance treatments. Dr. Haber has indicated, at paragraph 8 of his affidavit, that he has prescribed treatment programs lasting from 4 weeks to 6 years, although he typically prescribes it for a 3 to 6 month period. Messrs. Wilton and Pignataro state that omeprazole magnesium is often used chronically [Wilton affidavit, paragraph 5; Pignataro affidavit, paragraph 2]. The patients' exposure to the product through consumption does not qualify as use under section 4 but it can help to build the trade-mark's reputation. Patients may be taking more than one type of medication at a time, including more than one type of pink tablet.

According to the health professionals who deal with them, patients appear to primarily associate the colour/size/shape of medication with the therapeutic purpose of the medication. While these professionals admitted during cross-examination that they do not know if patients may also be associating the colour/size/shape with the source of the medication, there is no evidence that this is in fact the case.

The applicant's sales of LOSEC 10 mg tablets have been significant. However, pink tablets, circular pink tablets, and even circular pink tablets of a size similar to that claimed in the present application have been in the Canadian market since before the introduction of the applicant's product. I note that what qualifies as pink may to some extent depend on the eye of the beholder. The sales of the applicant's Pink, Circular, Bi-convex tablets and other's pink tablets are discussed in greater detail below.

The Law re Distinctiveness

In *Novopharm Ltd. v. Bayer Inc. et al.* (1999), 3 C.P.R. (4th) 305 (F.C.T.D.), aff'd (2000), 9 C.P.R. (4th) 304 (F.C.A.), Mr. Justice Evans, as he then was, set out some of the legal principles with respect to distinctiveness as applied to pharmaceutical colour/shape/size marks, at pages 321- 323:

> **First, the burden of establishing the distinctiveness of a mark rests on the applicant, both in the opposition proceeding before the Registrar and on an appeal to this Court. Thus, Bayer must establish on a balance of probabilities that in 1992, when Novopharm filed its opposition to the application, ordinary consumers associated dusty rose, round extended-release tablets of the size of the 10 mg ADALAT tablet, with Bayer, or a single source of manufacture or supply: *Standard Coil Products (Canada) Ltd. v. Standard Radio Corp.*, [1971] F.C. 106 at p. 123, 1 C.P.R. (2d) 155 (F.C.T.D.), *affirmed* [1976] 2 F.C. iv (F.C.A.).**
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> **Second, the "ordinary consumers" to be considered for this purpose include not only physicians and pharmacists, but also the "ultimate consumers", that is the patients for whom ADALAT tablets are prescribed and to whom they are supplied, even though their only access to nifedipine is through a physician's prescription: *Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 S.C.R. 120, 44 C.P.R. (3d) 289.**
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> **In *Ciba-Geigy* the Court held that the elements of the tort of passing-off were as applicable to pharmaceutical products as to any other. Accordingly, it was relevant to consider whether the "get-up" of the plaintiff's goods had acquired a distinctiveness that would lead patients to identify that "get-up" with a single source, so that they were likely to be confused into thinking that another's product,**

with a similar appearance to that of the plaintiff, emanated from the same source as the plaintiff's.

I should also note that, while there are some obvious differences between actions for the tort of passing-off and opposition proceedings to the registration of a trade-mark, there is also a significant link between them. A dismissal of Novopharm's opposition will enable Bayer to prevent competitors from marketing a product that is interchangeable with ADALAT in the form of tablets with a similar appearance to Bayer's nifedipine tablets.

Thus, in any enforcement proceedings that Bayer were to bring for trade-mark infringement, it would not be required to prove that the colour, shape and size of its product had a secondary meaning, as it would in a passing-off action if it were not the holder of valid trade-mark. By virtue of the statutory definition of a trade-mark, the valid registration of the mark at issue in this proceeding in effect irrefutably establishes that the appearance of ADALAT tablets is associated by consumers with a single source.

Third, while I accept that the colour, shape and size of a product may together be capable in law of constituting a trade-mark, the resulting mark is, as a general rule, likely to be weak: *Smith Kline & French Canada Ltd. v. Canada (Registrar of Trade Marks)* (1987), 9 F.T.R. 129 (F.C.T.D.), 131.

In this case, pink round small tablets are commonplace in the pharmaceutical market. This means that Bayer has a heavy burden to discharge in proving on the balance of probabilities that in 1992 those properties had a secondary meaning, so that ordinary consumers associated the tablets with a single source: *Standard Coil, supra*, at p. 123. The fact that, when Novopharm filed its objection, ADALAT were the only extended-release nifedipine tablets on the market is in itself insufficient to establish a secondary meaning: *Cellular Clothing Co. v. Maxton & Murray*, [1899] A.C. 326 (H.L.), 346; *Canadian Shredded Wheat Co. v. Kellogg Co. of Canada Ltd.*, [1939] S.C.R. 329.

Fourth, it is not fatal to an application that consumers may also use means other than the mark for identifying the product with a single source. Thus, while pharmacists rely mainly on the brand name and other identifying indicia on the stock bottles and packaging containing the product, or the inscription on the tablets, which is not part of the mark, if there is evidence that to any significant degree they also recognized the product by its appearance (excluding the markings on the tablet because they are not part of the mark), this may be sufficient to establish the distinctiveness of the mark.

In addition, Madam Justice Dawson made the following observations concerning the issue of

distinctiveness in proceedings of this nature in *Novopharm Ltd. v. AstraZeneca AB*, [2003] F.C.J. No. 1535 (F.C.T.D.) (hereinafter "AstraZeneca 2") at paragraphs 5 through 8:

> **It follows that what is to be determined in this proceeding is whether Astra has met its burden to establish that the proposed trade-marks were distinctive as of the date of opposition. This turns upon the factual question as to whether as of the date of opposition, tablets marketed in an appearance similar to Astra's 5 mg and 10 mg tablets render Astra's marks non-distinctive and thereby preclude registration of the trade-mark.**
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> **The term "distinctive" is defined in section 2 of the Act in the following terms:**
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> |---|---|
> | **"distinctive", in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them.** | **« distinctive » Relativement à une marque de commerce, celle qui distingue véritablement les marchandises ou services en liaison avec lesquels elle est employée par son propriétaire, des marchandises ou services d'autres propriétaires, ou qui est adaptée à les distinguer ainsi.** |
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> **As the Court of Appeal wrote in *AstraZeneca AB v. Novopharm Ltd.*, 2003 FCA 57 at paragraph 16:**
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> **[...] A mark actually distinguishes by acquiring distinctiveness through use, resulting in distinctiveness in fact. A mark that is "adapted so to distinguish" is one that does not depend upon use for its distinctiveness because it is inherently distinctive. A coined or invented word mark falls into this category: Standard Coil Products (Canada) Ltd. v. Standard Radio Corp., [1971] F.C. 106 (T.D.), at 115; The Molson Companies Limited v. Carling O'Keefe Breweries of Canada Limited, [1982] 1 F.C. 175 (T.D.), at 278-79.**
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> **Principles to be applied when considering this issue are:**
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> **1. The trade-mark applicant must satisfy the tripartite test enunciated in *Phillip Morris v. Imperial Tobacco Ltd.* (1985), 7 C.P.R. (3d) 254 (F.C.T.D.) at page 270. See: *AstraZeneca v. Novopharm, supra* at paragraph 19. The third part of the tripartite test requires that the association between the mark and the product enables the owner of the mark to distinguish his product from that of others.**

2. Colour alone has not been viewed as being inherently distinctive. See: *AstraZeneca v. Novopharm,* at paragraph 18.

3. Proof of actual distinguishment is not an easy burden to discharge. See: *AstraZeneca v. Novopharm,* at paragraph 20.

4. Where the active ingredient in the pharmaceutical product is not claimed as the trade-mark, and the trade-mark sought to be registered is the colour and shape of the tablet, the applicant must show that the colour and shape distinguishes the tablet from the tablets of other manufacturers. See: *AstraZeneca v. Novopharm,* at paragraph 22.

5. It is incumbent on the trade-mark applicant to show that physicians, pharmacists or patients can and do use the proposed trade-mark in choosing whether to prescribe, dispense or request the product. See: *Novopharm Ltd. v. Astra Aktiebolag* (2000), 6 C.P.R. (4th) 16 (F.C.T.D.); aff'd (2001) 15 C.P.R. (4th) 327 (F.C.A.).

6. It is not fatal to an application that consumers may also use means other than the mark for identifying the product with a single source. As Mr. Justice Evans, as he then was, wrote in *Novopharm Ltd. v. Bayer Inc.* (1999), 3 C.P.R. (4th) 305 at paragraph 79; aff'd (2000) 9 C.P.R. (4th) 304 (F.C.A.):

> **[...] Thus, while pharmacists rely mainly on the brand name and other identifying indicia on the stock bottles and packaging containing the product, or the inscription on the tablets, which is not part of the mark, if there is evidence that to any significant degree they also recognized the product by its appearance (excluding the markings on the tablet because they are not part of the mark), this may be sufficient to establish the distinctiveness of the mark.**

The applicant here is not arguing that its mark is inherently distinctive so I need only focus on the question of whether the applicant's mark had acquired distinctiveness as of the material date. The applicant has submitted that both parties agree that patients recognize the colour/shape/size of their medication. What the parties do not agree on is what patients associate the colour/shape/size with, *i.e.* with the therapeutic purpose or a single source. To my mind, this is basically the third part of the tripartite test from *Phillip Morris v. Imperial Tobacco Ltd.* (*supra*).

Relevant Market to be Considered re Distinctiveness

AstraZeneca AB v. Novopharm Ltd. et al. **(2003), 24 C.P.R. (4th) 326 (F.C.A.) [hereinafter "AstraZeneca 1"] and AstraZeneca 2 both dealt with an opposition to an application to register a trade-mark consisting of the shape and colour of a pharmaceutical tablet. The oppositions succeeded on the basis of non-distinctiveness and one of the issues discussed by the courts was the relevant market to be considered. The applicant argued that the relevant market should be restricted to the active ingredient listed in its statement of wares. The opponent argued that the relevant market is all pharmaceutical pills. At page 338 of AstraZeneca 1, Mr. Justice Stone states, "However, it is to be noted that the active ingredient as such is not claimed by the appellant as the trade-mark. The trade-mark sought to be registered is the colour and shape, or appearance, of the 2.5 mg tablets that happen to contain the active ingredient. In order to bring its application within this branch of the 'distinctive' test in s. 2, the appellant had, therefore, to show that through use over time the colour and shape of its tablets actually distinguishes them from tablets of other manufacturers."**

In AstraZeneca 2, Madam Justice Dawson began her discussion of "acquired distinctiveness" as follows, at paragraphs 15 through 18, by referring to AstraZeneca 1:

> **At the outset, it is necessary to consider whether the trade-mark must distinguish Astra's 10 mg felodipine from:**
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> > **(i) the felodipine of its competitors that are interchangeable with Astra's felodipine;**
> >
> > **(ii) all pharmaceuticals in the same therapeutic class, that is all tablets used to treat hypertension; or**
> >
> > **(iii) all pharmaceutically active ingredients available, even non-competing ones.**

Astra argues that the relevant market is limited to tablets containing felodipine that are interchangeable with Astra's felodipine.

This issue was considered by the Court of Appeal in *AstraZeneca v. Novopharm, supra* where the Court of Appeal rejected Astra's submission that the relevant market place was felodipine tablets. At paragraph 22, Mr. Justice Stone, for the Court, wrote that:

> **Nor would the evidence appear to establish that the combination of colour and shape of the appellant's tablets had the effect of "actually distinguishing" the appellant's wares from those of others. Counsel points out that as the appellant's tablets were the only hypertensive prescription drug in the Canadian market place that contained the active ingredient "felodipine", it readily distinguishes that drug from other prescription drugs because none of the others relied upon contained that active ingredient. There was thus no possibility of some other drug being substituted for the PLENDIL 2.5 mg tablet. Indeed, "felodipine" is identified in the trade-mark application as the "wares" in association with which the trade-mark had been used in Canada since 1994. The appellant maintains from this that both the Registrar and Kelen J. erred in this respect by expanding the relevant market to all round and yellow tablets for the treatment of hypertension rather than restricting it to "felodipine" wares. Indeed, the respondent adduced some evidence of other non anti-hypertensive yellow and round tablets in the Canadian pharmaceutical market, and asserts that the relevant comparison market is all pharmaceutical pills including other yellow and round anti-hypertensive tablets. However, it is to be noted that the active ingredient as such is not claimed by the appellant as the trade-mark. The trade-mark sought to be registered is the colour and shape, or appearance, of the 2.5 mg tablets that happens to contain the active ingredient. In order to bring its application within this branch of the "distinctive" test in section 2, the appellant had, therefore, to show that through use over time the colour and shape of its tablets actually distinguishes them from tablets of other manufacturers.**

Astra argues that a different conclusion should be reached in this case because distinctiveness is an issue of fact and because the analysis of the Court of Appeal "was flawed, in confusing the 'wares' with the 'trade-mark'". I am not prepared to depart from the conclusion of the Court of Appeal. While distinctiveness is essentially an issue of fact, the conclusion of the Court of Appeal in the above quoted paragraph, in my view, is not simply a conclusion of fact.

Where the active ingredient as such is not claimed in a trade-mark, the Court of Appeal has held that the applicant must show that through use over time the colour

> **and shape of its tablet actually distinguishes it from other manufacturers' tablets. This conclusion is, in my view, binding upon me.**

Given Madam Justice Dawson's holding that Mr. Justice Stone's statement is a conclusion of law, I am clearly bound to consider all other pharmaceutical tablets in my consideration of the issue of distinctiveness, in the absence of the active ingredient being claimed in the applicant's trade-mark. It is not clear to me how an applicant claims an active ingredient in a trade-mark but it is clear to me that the trade-mark in the present case no more includes the active ingredient than did those being considered in AstraZeneca 1 and AstraZeneca 2.

I note that AstraZeneca 2 is currently being appealed to the Federal Court of Appeal. Leave to appeal AstraZeneca 1 has been dismissed by the Supreme Court of Canada.

Before proceeding, I will comment that had the applicant succeeded with the amendments that it proposed with respect to its application last November, this would not have affected the impact of Mr. Justice Stone's statement, as interpreted by Madam Justice Dawson. By submitting that the proposed amendments should be allowed because they do not change the trade-mark, the applicant appears to be conceding that the amendment would not result in the active ingredient being claimed in the trade-mark. In any event, Mr. Justice Stone was not the first to treat the general pharmaceutical marketplace as the proper comparison market [see *Novopharm Ltd. v Astra Aktiebolag* (2000), 6 C.P.R. (4th) 16 (F.C.T.D.) at 25, affmd. (2001), 15 C.P.R. (4th) 327 (F.C.A.), leave to appeal dismissed [2001] S.C.C.A. No. 646 (S.C.C.); *Apotex Inc. v. Searle Canada, Inc.* (2000), 6 C.P.R. (4th) 26 (F.C.T.D.) at 35; *Novopharm Ltd. v. Ciba-Geigy Canada Ltd.* (2000), 6

C.P.R. (4th) 224 (F.C.T.D.) at 233, affmd. (2001), 15 C.P.R. (4th) 327 (F.C.A.), leave to appeal dismissed, [2001] S.C.C.A. No. 646 (S.C.C.)].

Other "Pink Tablets"

In its statement of opposition, the opponent has listed 103 pink tablets, which it alleges "were and are at all material times common to the pharmaceutical tablet trade and have been prescribed by physicians, dispensed by pharmacists and taken by patients in Canada along with the Applicant's LOSEC tablets."

At paragraph 4 of his affidavit, Mr. Chabursky attests, "Since I have been practicing as a pharmacist, it has been my experience that pink tablets are common, as are circular, biconvex tablets. The description 'pink circular, bi-convex, pharmaceutical tablets' could apply to a number of different medications that have been available since 1996." He proceeds at paragraph 10 to state, "Since I began practicing I have dispensed many pink tablets, both prescription and non-prescription, including the drugs listed in the table below." The table lists 33 tablets. Mr. Chabursky has attached specimens of 18 of these tablets as exhibits to his affidavit. He has also provided colour photocopies of pages from the 1997 Compendium of Pharmaceutical Specialities (a publication that lists pharmaceuticals available in Canada) showing 7 other of these tablets. Finally, he has provided colour copies of charts showing an additional 7 or 8 of the opponent's pink tablets.

Mr. Lackman attests that he has "dispensed numerous other pink tablets over the past thirty

years." He lists 18 pink tablets that he states are currently on the market and that he has dispensed from at least 1994 to the present. The chart he provides indicates the number of times he dispenses each of these drugs per month. [paragraph 8, Lackman affidavit] Of the 18 tablets he discusses, only one has not been referred to by Mr. Chabursky.

The 8 "pink tablets" discussed by Mr. Andonoff are also all discussed by Mr. Chabursky. Although he provides annual sales figures for each of these tablets from 1993 through 1998, these figures have been challenged by the applicant on the basis that they are hearsay. I agree that the sales figures are inadmissible as hearsay because Mr. Andonoff has not satisfied me that it was necessary to provide the figures in this way, and therefore has not satisfied the necessity arm of the hearsay exemption rule.

Mr. Simpkin provides the annual sales figures for 1995 through 1998 for three "pink tablets", one of which has also been evidenced by Mr. Chabursky.

Overall, we have evidence of there being approximately thirty other "pink tablets" on the market as of the material date. Of these, approximately 9 are not round and approximately 6 are not of a size that is arguably similar to that set out in the application. That leaves us with about 15 other round pink tablets of a size similar to that of the applicant. However, Mr. Justice Evans, as he then was, considered evidence of pills that shared only the colour of the applied for mark in *Novopharm Ltd. v. Bayer Inc. et al.* (1999), 3 C.P.R. (4th) 305 (F.C.T.D.), reversing 76 C.P.R. (3d) 560, affirmed 9 C.P.R. (4th) 304, where he said at p. 330:

> **This evidence, it is true, does not always address both the colour *and* the**

> **shape and size of medication other than ADALAT. However, in my opinion it tends to negate Bayer's claim that the colour and shape of ADALAT are distinctive of the product, especially since the colour pink as applied to a small round biconvex pill can hardly be said to be inherently distinctive: *Novopharm Ltd. v. Searle Canada Inc.* (1995), 60 C.P.R. (3d) 400 (T.M.O.B.).**

To meet its evidential burden, the opponent need only show that pink tablets were common to the pharmaceutical trade as of the material date. [*Motel 6, Inc. v. No. 6 Motel Ltd*. (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.)] This the opponent has done. In addition, it has shown that round, pink tablets of a size similar to that of the 10 mg LOSEC tablets were common to the pharmaceutical trade as of the material date. I also note that there is evidence that approximately 15 of the pink tablets are used concurrently with omeprazole magnesium.

<u>Evidence of Use of Applicant's Mark as of Date of Opposition</u>

Sales of LOSEC 10 mg omeprazole magnesium began in Canada in April 1997. In 1997, the applicant sold approximately 1 million LOSEC 10 mg tablets or about $1.8 million worth. The sales figures for 1998 have also been provided but as they have not been broken down as of the date of filing of the opposition, they are not useful to the assessment of distinctiveness as of that date. [Wilton affidavit, paragraphs 6 and 26] The opponent points out that this does not of course mean that 1 million Canadians used the applicant's product in 1997 since we must factor in the number of pills taken by a single patient during treatment with this medication.

Mr. Wilton has attested that "[t]he LOSEC brand of omeprazole magnesium is the best selling prescription pharmaceutical preparation in Canada based on dollar sales." [paragraph 26, Wilton

affidavit] However, Mr. Wilton's statement is clearly referring to the combined sales of all dosages of the LOSEC product. Also, he is not saying that the LOSEC brand is the best selling prescription pharmaceutical preparation in Canada based on number of pills sold. Finally, Mr. Wilton is speaking in the present tense, which is after the material date. In any event, in *Novopharm Ltd. v. Astra Aktiebolag* (2000), 6 C.P.R. (4th) 16 (F.C.T.D.), affirmed 15 C.P.R. (4th) 327, Mr. Justice Rouleau indicated that impressive sales do not by themselves satisfy the applicant's burden, as explained at page 25 of his decision:

> **[15] The Registrar of Trade-marks appears to have relied upon the sales of LOSEC in finding that Astra's mark was distinctive. However, impressive sales figures alone do not satisfy the burden on an applicant for a trade-mark of proving distinctiveness. Furthermore, there was evidence before the Registrar here to suggest that the sales numbers did not give a precise picture of the marketplace. For example, Dr. Joseph's evidence was that only ten to fifteen percent of her patients suffering from gastrointestinal disorders would be taking LOSEC. Similarly, Dr. Shulman's evidence was that only fifty of several thousand patients were taking LOSEC, while Mr. Droznika stated that LOSEC was not one of the most popular drugs used for gastrointestinal indications in his area. And while Mr. Dixon swore in his affidavit that "a significant number of patients prescribed LOSEC brand of omeprazole have taken the brand chronically", he admitted in cross-examination that he did not know what that "significant number" was.**

It is noted that Dr. Haber attested that he rarely prescribes LOSEC in the 10 mg dosage [Haber affidavit, paragraph 7] and Mr. Chabursky attested that his pharmacy dispenses the 10 mg LOSEC only about once a month [Chabursky affidavit, paragraph 7].

Mr. Wilton attests to the applicant having spent in excess of two and five million dollars annually in Canada in 1997 and 1998 respectively in respect of the promotion "of the LOSEC brand of omeprazole magnesium, including the colour, shape and size of the tablets." [Wilton affidavit, paragraph 28] However, it is difficult to tell to what extent, if any, those efforts promoted the

mark that is the subject of the present application. Mr. Wilton provides as Exhibit "F" black and white copies of promotional material. The first page appears to be promoting LOSEC 20 mg (not LOSEC 10 mg) to either physicians or pharmacists as part of a triple therapy regimen. The photocopy is not completely legible but there is a trade-mark notice that reads: "LOSEC® 1-2-3 M ™ and LOSEC® 1-2-3 A ™ are trademarks of Astra Pharma Inc." I do not see how the mark applied for is being promoted by that item. The second item appears to be a partial monograph for LOSEC, which reads near the end: AVAILABILITY OF DOSAGE FORMS: LOSEC (omeprazole magnesium) 10 mg tablets are pink, circular and biconvex, printed LOSEC 10 on both sides. The third item appears to be a brochure targeted at consumers. It includes pictures of the 10 mg LOSEC tablet as well as its packaging and states, "LOSEC is provided in two strengths: a reddish-brown (20 mg) or a pink (10 mg) tablet." At the end of the brochure the following trade-mark notice appears: "LOSEC® (omeprazole magnesium) is a registered trademark of the AstraZeneca group of companies. The AstraZeneca logo is a trademark of AstraZeneca PLC and is used under license by Astra Pharma Inc. and Zeneca Pharma Inc." Overall, it does not appear to me that any of these promotional materials would serve to educate doctors, pharmacists or patients that the colour and shape of the LOSEC 10 tablet is a trade-mark or indicates a single source. If anything, the materials suggest that pink serves to distinguish a certain dosage of omeprazole magnesium and the trade-mark notices, which are directed only to other marks associated with the product, suggest that the source of the product is neither AstraZeneca AB, or its predecessor Astra Aktiebolag.

In support of its claim that it has educated the public concerning the trade-mark status of the

colour and shape of its tablet, the applicant points to the notice that appears on the front of its packaging, to the right of a coloured picture of its tablet with the abbreviation TM/MC and the words "Actual size Grosseur réelle", as shown above earlier under the heading "Summary of Evidence". The wording reads, "If your omeprazole magnesium tablets look like that shown, it is your assurance that they come from Astra Pharma Inc." I however have some difficulty accepting that this notice educates the public that the colour, shape and size of the tablet on its own is an assurance that they come from Astra Pharma Inc., for the simple reason that the picture does not show simply a pink, circular, bi-convex tablet of a certain size, but rather a pink, circular tablet of a certain size bearing the words LOSEC 10 thereon. There is no evidence that doctors, pharmacists or patients interpret the wording on the packaging as meaning that pink, circular, bi-convex tablets of a certain size only come from one source and in the absence of such evidence I am not prepared to conclude that this would be the understanding. For whatever reason, the applicant considered it appropriate to display the tablet with the marking LOSEC 10 thereon, with the consequence that its message becomes interpretable as requiring that feature to be present in order to conclude that the pharmaceutical preparation comes from Astra Pharma Inc. I tend to agree with the applicant that if someone can read the notice on the packaging then that same person can read the marking that appears on the representation of the pill.

<u>Conclusion re First Distinctiveness Ground of Opposition</u>

I conclude that when a pharmacist sees pills bearing the trade-mark LOSEC, he knows that they come from a single source, namely the applicant. When he sees a pink, circular, bi-convex tablet bearing the marking LOSEC 10, he also knows that it comes from this single source. If he were to

see LOSEC 10 marked on a tablet that was not pink, then he would check to make sure that it was in fact the correct medication. However, if a pharmacist sees a pink, circular, bi-convex tablet without any markings thereon, he understands that it might be from one of a number of sources, because this look is not unique to a single source, and he requires other means to identify the source of the tablet. In AstraZeneca 2, Madam Justice Dawson stated at paragraph 22, "The proper question is what does a red-brown pill mean to a pharmacist?" It is clear to me that in the present case, the answer to the question, "What does a pink pill mean to a pharmacist?" is not "medication from one particular source". The applicant does not satisfy its legal burden by showing that pharmacists know that its omeprazole magnesium is not, for example, green.

Overall, I do not find that the evidence from the health professionals in this case differs significantly from many previous cases where a colour/size/shape mark was held to not distinguish one source's pharmaceutical preparation. Regarding patients, for the reasons set out earlier, I am not satisfied on a balance of probabilities that a significant number of patients associate the look of a pink, circular, bi-convex tablet of a certain size with a single source. As stated by Mr. Justice Evans in *Novopharm Ltd. v. Bayer Inc.* (*supra*) at p. 331, it is not necessary to file direct evidence to show that patients associate the applied-for mark with a single source, but the absence of such evidence "is damaging when there is evidence from pharmacists and physicians to the effect that patients typically do not associate the appearance of a medication with a single source."

The fact that the applicant has sold a significant amount of its Pink, Circular, Bi-convex Tablet Design tablets does not negate the fact that it is not the only party selling medication with this

general appearance in Canada, nor was it the first to do so. Accordingly, the fact that others use a similar look for products in the same general class of wares, *i.e.* pharmaceutical preparations, means that the applicant ought not to be given the exclusive right to monopolize this look through registration. The applicant has not satisfied the burden on it to show that, on a balance of probabilities, the applied for colour, shape, size trade-mark was distinctive of its wares as of the material date. The first non-distinctiveness ground of opposition therefore succeeds.

Distinctiveness is essentially an issue of fact. The applicant has argued here that the facts differ significantly from previous oppositions concerning colour/shape/size pharmaceutical tablet marks and that the outcome should therefore be in its favour. In particular, it submits that there are two important differences in the present case: 1. a representation of the tablet appears on the outside of the packaging; and 2. a message appears on the packaging that aims to educate the public as to the nature of the trade-mark. However, for the reasons discussed above, I have not found that these two changes in the way that the applicant has marketed this particular pharmaceutical product have been shown to have the desired effect of causing patients to associate this particular colour, shape and size with a single source.

<u>Second and Third Distinctiveness Grounds of Opposition</u>

Paragraphs 5(b) and (c) of the statement of opposition list grounds of opposition that are premised on the comparison market being restricted to omeprazole magnesium. As I have already ruled that such is not the proper comparison market, I need not consider these grounds of opposition.

Fourth Distinctiveness Ground of Opposition

Paragraph 5(d) of the statement of opposition reads as follows:

> **The Applicant has not properly licensed the alleged trade-mark to Astra Pharma. Any licenses between the Applicant and Astra Pharma relating to omeprazole magnesium do not cover the alleged trade-mark. Any use of the alleged trade-mark by Astra Pharma does not therefore enure to the benefit of the Applicant. The alleged trade-mark is therefore not distinctive of the Applicant.**

This ground of opposition was added after the opponent cross-examined Mr. Wilton and found his answers concerning the licensing of the mark to be unsatisfactory.

In his affidavit, Mr. Wilton attested that Astra Pharma Inc. ("Astra Pharma") "has sold pharmaceutical preparations containing omeprazole magnesium, in Canada, …since at least as early as April 1997 in the form of pink tablets containing 10 mg of omeprazole magnesium." [paragraph 6, Wilton affidavit] He further stated that the pink tablets "have always been round and biconvex in shape, of a consistent size, and always sold under the brand name LOSEC."

Paragraph 7 of Mr. Wilton's affidavit reads as follows:

> **Astra Pharma is a wholly owned subsidiary of Astra AB the owner in Canada of the trade-mark LOSEC and the trade-marks that are the subjects of Canadian Applications 815,150, 815,152 and 815,154 ("the Trade-marks"). Astra Pharma has the permission of Astra AB to use the Trade-marks in association with pharmaceutical preparations containing omeprazole magnesium. Astra AB has direct control of the character and quality of the LOSEC products (the words "product" and "brand" are used interchangeably herein and have the same meaning) sold by Astra Pharma in Canada, including the colour, shape and size of the products and the omeprazole magnesium therein. Indeed, any omeprazole magnesium tablets sold in Canada by Astra Pharma have been made by Astra AB.**

According to Mr. Wilton's affidavit, Astra Pharma Inc. was a wholly owned subsidiary of Astra

Aktiebolag until the end of 1999. Effective January 2000, Astra Pharma Inc. and Zeneca Pharma Inc. merged to form AstraZeneca Canada Inc., a wholly owned subsidiary of the current owner of this application, AstraZeneca AB. Mr. Wilton provides packaging of the type used by the applicant. On the side of the packaging there is the message "TM Trademark of Astra AB used under license by Astra Pharma Inc."

In support of its allegation that the mark is non-distinctive due to licensing, the opponent relies on Questions 92-96 of Mr. Wilton's cross-examination, wherein Mr. Wilton stated that he assumed that there was a written license and the applicant's counsel refused to produce any such document. The opponent asks that an adverse inference be drawn that this license does not cover the applied-for mark. At the oral hearing, the opponent argued that the issue is what is being licensed, *e.g.* 2D or 3D, with or without markings, not whether the trade-mark owner controls the character or quality of the wares. This is a reasonable concession since the trade-mark owner appears to be in control of the character and quality since it manufactures the wares.

Subsection 50(2) of the *Trade-marks Act* states, "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." The notice on the side of the packaging presumably aims to bring this subsection into play. However, I am troubled by the fact that it is not clear on the packaging what trade-mark TM is meant to refer to, given that it appears to the right of a picture of a pink tablet bearing the marking LOSEC 10.

The question is complicated somewhat by the fact that the applicant's counsel indicated that he was not prepared to produce the licence agreement because there was no ground of opposition that raised the issue. The opponent subsequently amended its statement of opposition to plead such a ground but given that it was not pleaded at the time that the applicant's counsel made its refusal, I find it difficult to make an adverse inference based on the refusal.

The opponent is here relying on the applicant's evidence to satisfy its initial burden. However, I find that the applicant's evidence does not satisfy the opponent's initial burden. Mr. Wilton has attested to there being a license from the trade-mark owner to the party whose name appears on the product. He has attested that the license covers the trade-mark covered by this application and it is clear that the trade-mark owner controls the character and quality of the associated wares. It is not necessary that a trade-mark license be in writing. Mr. Wilton's evidence, both in his affidavit and during his cross-examination, certainly does not lead me to conclude that, on a balance of probabilities, any use of the trade-mark by the owner's Canadian subsidiary does not accrue to the benefit of the owner pursuant to subsection 50(1) of the *Trade-marks Act*. I therefore dismiss this ground of opposition.

<u>Section 30 Grounds of Opposition</u>

The opponent has pleaded five paragraphs with respect to section 30.

The meaning of the first pleaded paragraph is not particularly clear. The opponent appears to be

alleging that Pink, Circular, Bi-convex Tablet Design is not a trade-mark because it cannot be used to distinguish the applicant's wares. I do not consider this to be a proper section 30 ground of opposition. In any event, the issue of whether the mark is distinctive has already been discussed above under a different ground of opposition.

Non-compliance with Subsection 30(a)

The opponent has restricted its subsection 30(a) ground of opposition to the allegation that the application does not contain a statement in ordinary commercial terms of the specific wares in association with which the alleged trade-mark is proposed to be used as the applicant has failed to define in specific, ordinary commercial terms the phrase "other conditions where a reduction of gastric acid secretion is required". I have considered the parties' submissions and conclude that the statement of wares is sufficiently specific and in ordinary commercial terms. Regarding the latter, I note that Dr. Mihic confirmed during cross-examination that he understood the language used in the applicant's statement of wares [Questions 254-256]. Regarding the former, I consider the applicant's statement of wares to be more specific than those examples of acceptable statements of wares set out in the Practice Notice published in the Trade-marks Journal of August 6, 2003, because the active ingredient is set out in the statement of wares, as well as the type of conditions to be treated. The opponent's subsection 30(a) ground of opposition therefore fails.

Non-compliance with Subsection 30(e)

The opponent pleads that the applicant cannot intend, and does not intend, to use Pink, Circular, Bi-convex Tablet Design alone to distinguish its wares from those of others because 1) the mark is

not visible at the time of transfer as required by section 4; 2) the relevant consumer will be unaware that any mark has been applied to the wares, such consumer being generally familiar with pink tablets; and 3) it is the markings LOSEC 10 that are capable of distinguishing the wares. The majority of this pleading challenges the distinctiveness of the mark, but that issue has already been addressed. I will therefore focus on the issue of whether the applicant intended to satisfy section 4. Subsection 4(1) is reproduced below:

> **4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.**

I understand the applicant's position to be that the picture of the pill on the packaging satisfies subsection 4(1). However, the representation of the pill on the outside of the box is not the trade-mark itself since, despite the shading used to suggest depth, the picture on the front of the box is 2-dimensional and the applicant is clearly seeking to register a three-dimensional mark. I do not think that use of the one is use of the other, otherwise, someone who has registered a picture could then argue that it was using its mark when it sold a three-dimensional object that resembled the picture, which was not permitted in *N.V. Sumatra Tobacco Trading Co. v. Imperial Tobacco Ltd.* (2001), 11 C.P.R. (4th) 501 (F.C.T.D.). Nevertheless, I do not think that this supports a conclusion that the applicant did not intend to use the applied-for mark in accordance with section 4. I note that at least some pharmacists open the package that contains the applicant's LOSEC tablets and show the medication to a patient the first time that it is prescribed, which would satisfy section 4 [Pignataro Cross-examination, Questions 37-40].

Non-compliance with Subsection 30(h)

The first arm of this pleading is that the applicant's drawings do not properly define the limits of the trade-mark monopoly being applied for because any alleged trade-mark of the applicant must include the entire mark as perceived by the public, which includes colour, shape, size and markings that are not displayed on the drawings. Markings, namely LOSEC 10, do appear on the applicant's tablets in the marketplace. However, I do not find that their lack of appearance in the drawing of the applied for trade-mark results in this application not complying with subsection 30(h). It is clear to me that the applicant believes that the look of its tablet, without consideration of the markings that appear thereon, can serve to distinguish it wares. Whether or not the applicant has proved this to be the case in the marketplace, I consider it acceptable that the applicant has taken this position as a preliminary matter as it is the colour, size and shape in which the applicant wishes to claim a monopoly. By way of analogy, I would note that specimens of design marks may often show another trade-mark appearing on the label or packaging but this does not mean that the drawing of the trade-mark is therefore inaccurate. [see *Nightingale Interloc Ltd. v. Prodesign Ltd.*, 2 C.P.R. (3d) 535 (T.M.O.B.) at p. 538-9] I do not mean by this to say that the marking will be of no consequence in the marketplace.

The second arm of the subsection 30(h) ground of opposition focuses on the apparent inconsistency between the words that claim the illustrated shape and size of the tablet and the words that indicate that the tablet shown in dotted outline does not form part of the mark. While I understand that this combination of wording may appear somewhat contradictory, the latter words were in fact required by the Examiner and therefore it is difficult for me to fault the

applicant for complying with the Examiner's request. I note that Mr. Justice Rouleau grappled inconclusively with a similar situation in *Novopharm Ltd. v. Astra Aktiebolag* (2000), 6 C.P.R. (4th) 16 (F.C.T.D.) at p. 22. However, in *Novopharm Ltd. v. Bayer Inc.* (supra), Mr. Justice Evans stated at pages 314-5, "In my opinion, [the words, 'tablet shown in dotted line does not form part of the trade-mark',] are quite apt to make the intended distinction between the product itself and its physical properties of shape and outward colour."

Non-compliance with Subsection 30(i)

I am dismissing the subsection 30(i) ground of opposition because the opponent did not plead that the applicant was aware of the other pink tablets. In any event, this pleading is simply another allegation of non-distinctiveness.

<u>Registrability Grounds of Opposition</u>

Failure to Comply with Section 13

The opponent has pleaded that the applicant's alleged trade-mark is, if anything, a distinguishing guise. However, the case law is against the opponent. In general, the decision in *Smith, Kline & French v. Registrar of Trade-marks*, [1987] 2 F.C. 633 forms the basis for the Canadian Intellectual Property Office's position that a trade-mark consisting only of one or more colours applied to the whole of the visible surface of a particular three-dimensional object is considered to be an ordinary trade-mark, not a distinguishing guise.

Applied For Mark is Prohibited Under Section 10

The opponent seems to be arguing that Pink, Circular, Bi-convex Tablet Design has by ordinary *bona fide* commercial usage become recognized in Canada as designating the wares set out in the applicant's statement of wares. However, given the other pink tablets, discussed above, I do not see how such a conclusion can be reached. In any event, as pointed out by the applicant, section 10 prohibits the adoption of a mark that already designates certain wares and there is no argument to be made that the Pink, Circular, Bi-convex Tablet Design was recognized as designating omeprazole magnesium at the time that the applicant adopted such design. This ground therefore fails.

Disposition

In view of the above, and having been delegated by the Registrar of Trade-marks by virtue of subsection 63(3) of the *Trade-marks Act*, pursuant to subsection 38(8) of the *Act* I refuse the application.

DATED AT GATINEAU, QUEBEC THIS 20th DAY OF JANUARY 2004.

Jill W. Bradbury
Member
Trade-marks Opposition Board