IN THE MATTER OF AN OPPOSITION by
Novopharm Limited
to application No. 815,153
for the trade-mark Red-brown 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 Red-brown Tablet Design. The application is based upon 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 since at least as early as February, 1996. The application was advertised for opposition purposes in the Trade-marks Journal of March 4, 1998. The English language portion of the advertisement is reproduced below:

The opponent, Novopharm Limited, filed a statement of opposition on August 4, 1998. On August 5, 1998, the opponent amended it statement of opposition. The statement of opposition was served on the applicant on August 12, 1998 and the applicant filed and served a counter statement on September 11, 1998.

On September 24, 1999, the opponent requested leave to further amend its statement of opposition but leave was denied by letter of February 10, 2000. By letter dated August 9, 2000, the opponent requested leave to make a different amendment to its statement of opposition. The Opposition Board granted this request on November 2, 2000.

The opponent filed five affidavits as its rule 41 evidence, namely the affidavits of Zofia Kruk (a pharmacist), Benny Masella (a pharmacist), Patrick Bolland (a family physician), Brian Walsh (a representative of the opponent), and Susan Malcolm-Reid (a law clerk). The applicant obtained orders for the cross-examination of each of these affiants. Transcripts of the cross-examinations of each of the affiants have been filed and form part of the record.

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

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.

The week after the oral hearing, the opponent filed an answer to the undertaking given with respect to Question 93 of the cross-examination conducted of Brian Walsh on September 16, 1999. The Opposition Board held that the delay in filing such answer was not justified and returned the answer to the opponent by letter dated January 19, 2004.

<u>Introduction re Grounds of Opposition</u>

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 clearly descriptive of the applicant's wares, b) it is not a trade-mark, c) if it is a mark, it is an unregistrable distinguishing guise and d) it is not registrable pursuant to subsection 12(2). Finally, the opponent pleads that the mark is not distinctive for several reasons. (Paragraph 5 of the statement of opposition, which pled non-entitlement, has been withdrawn by the opponent.)

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]; subsection 12(2) and section 13 - the filing date of the application; paragraph 12(1)(b) – the date of my decision [see *Lubrication Engineers, Inc. v. The Canadian Council of Professional Engineers,* 41 C.P.R. (3d) 243 (F.C.A.)] or the filing date of the application [see *Fiesta Barbeques Ltd. v. General Housewares Corp.* (2003) 2003 FC 1021 (F.C.T.D.)]; 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].

<u>Summary of Evidence</u>

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 20 mg dosage is sold in the form intended to be protected by the present application. The applicant's 10 mg dosage is sold in the form of pink tablets. The product when sold has the trade-mark LOSEC written in black on the tablet, with 20 or 10 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 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 20 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 generally the same colour, size and shape as the original product [Kruk affidavit, paragraph 18; Masella affidavit, paragraph 19].

Based on Dr. Bolland's evidence, I conclude that doctors are not particularly familiar with the appearance of the pharmaceutical preparations that they prescribe [Bolland affidavit, paragraph 9]. 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. Ms Kruk looks at the markings on the tablets if they are loose and not blister packed. She says that colour can play a safety role by helping pharmacists avoid dispensing errors, *i.e.* she would be concerned if the medication she was going to dispense was not the colour that she expected it to be. In the case of omeprazole, Ms. Kruk considers the colour of the tablet to be an indication of the dosage strength. [Kruk affidavit, paragraphs 22-28 and 35; see also Kruk cross-examination, questions 52-95]. Mr. Masella's evidence is similar. [Masella affidavit, paragraphs 23-28 and 35] He opens the box that contains the LOSEC blister packs primarily to check that the right number are in there; he would not dispense them if they were green or blue but would not automatically assume that they were LOSEC if they were the right colour. [Questions 39-53, 96-102, 288-291, Masella cross-examination] 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 20 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. Bolland has indicated, at questions 45 through 49 of his cross-examination, that the prescriptions that he writes for LOSEC can commonly be repeated for one year and that these prescriptions are written for patients who have a chronic condition. 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 red-brown tablet.

According to the health professionals who deal with them, patients appear to primarily associate the general appearance of their 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 appearance with the source of the medication, there is no evidence that this is in fact the case.

The applicant's sales of LOSEC 20 mg tablets have been substantial. However, red-brown tablets and circular, red-brown tablets have been in the Canadian market since before the introduction of the applicant's product. I note that what qualifies as red-brown may to some extent depend on the eye of the beholder. In fact, neither Ms Kruk nor Mr. Masella considers the applicant's LOSEC 20 tablet to be red-brown. [Kruk affidavit, paragraphs 7-8; Masella affidavit, paragraphs 7-8] The sales of the applicant's Red-brown Tablet Design tablets and other's red-brown tablets are discussed in greater detail below.

<u>The Law re Distinctiveness</u>

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 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.).**

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.

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.

The term "distinctive" is defined in section 2 of the Act in the following terms:

"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.**

As the Court of Appeal wrote in *AstraZeneca AB v. Novopharm Ltd.*, 2003 FCA 57 at paragraph 16:

[...] 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.

Principles to be applied when considering this issue are:

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.**

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 stated, "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:**
>
> > **(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.)].

<u>Other "Red-brown Tablets"</u>

In its statement of opposition, the opponent has listed nine "substantially red-brown tablets", which it alleges "were and are at all material times common to the pharmaceutical tablet trade and have been used by other pharmaceutical tablet manufacturers in Canada so that the alleged

mark is not distinctive of the Applicant." The opponent pleads that these nine are just some of the other "substantially red-brown tablets". Eight of these tablets appear in the 1997 Compendium of Pharmaceutical Specialties ("CPS"), introduced as Exhibit "D" to the Malcolm-Reid affidavit. The ninth appears in Mr. Walsh's Exhibit "C".

The parties agree that the CPS is a publication that Canadian pharmacists and physicians have and use. However, the applicant's agent stated that he does not accept that everything listed in the CPS is in the marketplace or, if they are in the marketplace, that they are being sold in significant numbers. The opponent, on the other hand, points to a case where the Opposition Board treated CPS evidence as similar to state of the Register evidence. In *Novopharm Ltd. v. Astra Aktiebolag* (2000), 6 C.P.R. (4th) 101 (T.M.O.B.), affmd., (2001) 15 C.P.R. (4th) 476 (F.C.T.D.), Board Member Martin stated at pages 111-112:

> **In the present case, the opponent's evidence establishes that there are at least some other yellow tablets used for the treatment of hypertension that are available in the marketplace. Although there is little direct evidence of sales of these third party products, I consider that Mr. Wilton's acceptance of the CPS as a widely distributed authoritative source regarding the availability of various drugs in Canada, his recognition of at least a few third party yellow tablets for the treatment of hypertension, the recognition of such tablets by Messrs. Daher and Longo and, to a lesser extent, Ms. Scott's evidence as to the dates of introduction into Canada of many such tablets satisfies the opponent's evidential burden. As with state of the register evidence, the existence of a fairly large number of yellow tablets for treating hypertension in the CPS allows me, in the present case, to conclude that at least some of those tablets have been actively marketed in Canada. The evidence therefore suggests that the applicant's trade-mark is not capable of distinguishing its anti-hypertensive drug from those of others.**

The applicant's affiants, Mr. Wilton and Mr. Pignataro, both agree that the CPS contains a listing of prescription pharmaceuticals in Canada and that "[p]hysicians and pharmacists will use the

index pages in order to determine which brands of a particular active ingredient are available." [paragraphs 29-30, Wilton affidavit; paragraph 2, Pignataro affidavit].

Mr. Masella attests that the shape of the LOSEC 20 mg tablets is one of the most commonly used for tablets and that the "colours pink and brown in various shades are also very common, including red-brown shades of brown." [Masella affidavit, paragraphs 7-8] He lists eight specific red-brown tablets, most if not all of which have been in use in Canada since at least 1994 and states that patients taking LOSEC could also be taking one of these other red-brown tablets. [paragraphs 10, 12 and 13] None of these eight were listed in the statement of opposition. Four of them appear in the 1997 CPS and one of them in Exhibit "C" to Mr. Walsh's affidavit.

Ms Kruk states that there are many pharmaceutical products sold in Canada that come in the form of brown tablets of all shades, including red-brown and names nine examples of red-brown ones. Since as long ago as 1985, when Ms Kruk began dispensing drug products in Canada, there have been several that have come in the form of brown or red-brown tablets and she has dispensed many of the nine that she listed since at least 1994 or 1996. She further states that many patients taking LOSEC would also be prescribed other medications at the same time, including medications dispensed as red-brown tablets. [Kruk affidavit, paragraphs 7-14 ; Cross-examination, question 15] Only one of the tablets referred to by Ms Kruk is listed in the statement of opposition. Eight of the tablets referred to by Ms Kruk appear in the 1997 CPS. Four of the nine overlap with those referred to by Mr. Masella.

Mr. Walsh provides colour copies of three "red-brown" pills sold by the opponent. He also provides the annual sales figures for these from 1993 to 1998. However, these figures have been challenged by the applicant on the basis that they are hearsay. Although the figures may have been obtained from a reliable third party source, I agree that they are inadmissible as hearsay. Mr. Walsh 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.

Altogether, there is evidence of more than twenty red-brown tablets. It matters not that all of these tablets were not listed in the statement of opposition. [see *Novopharm Ltd. v. AstraZeneca AB et al.* (2002), 21 C.P.R. (4th) 289 (F.C.A.); *Novopharm Ltd. v. Ciba-Geigy Canada Ltd.; Novopharm Ltd. v. Astra Aktiebolag* (2001), 15 C.P.R. (4th) 327 (F.C.A.)]

I note that of these red-brown tablets, approximately 15 are round. However, according to the applicant's witnesses, the colour of a tablet is the most noticeable, followed by shape and lastly size [Wilton affidavit, paragraph 16; Pignataro affidavit, paragraph 2]. In addition, 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.), 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.).**

I further note that it matters not whether the third party red-brown tablets are used concurrently with omeprazole magnesium or are used for the same therapeutic purpose as omeprazole

magnesium. All the red-brown tablets are significant with respect to distinctiveness because the general pharmaceutical marketplace is the proper comparison market. [*AstraZeneca 2*; *AstraZeneca* 1; *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.)]

I conclude on the basis of this evidence that the opponent has met its evidential burden to show that "substantially red-brown tablets" were common to the pharmaceutical trade as of the material date.

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

Sales of the applicant's LOSEC 20 mg Red-Brown Tablet Design tablets began in Canada at least as early as February 1996. In 1997, the applicant sold approximately 234 million LOSEC 20 mg tablets or about $106 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]

Even if we distil the applicant's numbers down by factoring in the number of pills taken by a single patient during treatment with this medication, we are still left with a significant number of Canadians who have consumed the applicant's LOSEC 20 tablets.

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.**

In the present case, Dr. Bolland says that generally he writes new prescriptions for LOSEC about 2 or 3 times a month but might have between forty to fifty patients on LOSEC at any one time. [paragraph 5, Bolland affidavit; Questions 37-43, Bolland cross-examination]. However, for gastric ulcers Dr. Bolland tends to prescribe PANTOLAC a bit more than LOSEC. [Questions 65-67] Mr. Masella stated during his cross-examination that LOSEC tablets are frequently dispensed

and are a big seller. [Question 36] He dispenses about 3000 LOSEC prescriptions a year, which makes it about the second or third highest of any product that he dispenses. [Questions 133-134]

While large sales clearly do not hurt the applicant's case, they do not make its case in the absence of evidence that shows that the combination of the colour and shape of the LOSEC 20 mg product serves a trade-mark function in the minds of the public.

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 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 that item is promoting the applied for mark. The second item appears to be a partial monograph for LOSEC, which reads near the end: AVAILABILITY OF DOSAGE FORMS: LOSEC (omeprazole magnesium) 20 mg tablets are red-brown, circular and biconvex, printed LOSEC 20 on both sides. The third item appears to be a brochure targeted at consumers. It includes pictures of the 20 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 20 tablet is a trade-mark or indicates a single source. If anything, the materials suggest that the colour 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, nor 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 and shape of the tablet on their own is an assurance that they come from Astra Pharma Inc., for the simple reason that the picture does not show simply a red-brown tablet, but rather a red-brown tablet bearing the words LOSEC 20 thereon. There is no evidence that doctors, pharmacists or patients interpret the wording on the packaging as meaning that red-brown tablets 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 20 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. In any event, it seems unlikely that members of the public would simply accept an assertion that red-brown tablets indicate the applicant given the existence of other red-brown tablets in the marketplace.

First Distinctiveness Ground of Opposition

The opponent has pleaded that the applicant's mark is not distinctive in that it does not distinguish, nor is it adapted to distinguish, the applicant's wares from those of others because "substantially red-brown tablets" were and are at all material times common to the pharmaceutical tablet trade and have been used by other pharmaceutical tablet manufacturers in Canada so that the alleged mark is not distinctive of the applicant.

Based on the evidence, 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 red-brown tablet bearing the marking LOSEC 20, he also knows that it comes from this single source. If he were to see LOSEC 20 marked on a tablet that was not red-brown, then he would check to make sure that it was in fact the correct medication. However, if a pharmacist sees a red-brown, circular 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 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/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 red-brown, circular tablet 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 very large amount of its Red-brown 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 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 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 with a single source.

Second Distinctiveness Ground of Opposition

The opponent pleads that the applicant's mark cannot be distinctive since the applicant's patents prevent anyone else from manufacturing omeprazole magnesium. As I have already ruled that the proper comparison market is all pharmaceuticals, this ground of opposition lacks merit. In any event, both the Federal Court and the Opposition Board have declined to accept such an argument. [see *Novopharm Ltd. v. Bayer Inc. (supra)* at p. 323-4 (F.C.T.D.) and *Novopharm Ltd. v. Astra Aktiebolag* (2000), 6 C.P.R. (4th) 101 at p. 114 (T.M.O.B.)]

Third Distinctiveness Ground of Opposition

The final non-distinctiveness ground 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 February 1996 in the form of red-brown tablets containing 20 mg of omeprazole magnesium." [paragraph 6, Wilton affidavit] He further stated that the red-brown 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 815,151, 815,153 and 815,155 ("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 red-brown tablet bearing the marking LOSEC 20.

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 four paragraphs with respect to section 30.

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 Ms Kruk confirmed during cross-examination that she understood the language

used in the applicant's statement of wares [Question 185-187]. 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(b)

The opponent has not filed any evidence to meet its evidentiary burden with respect to its allegation that the applicant has not used its mark since February 1996 and I therefore dismiss the ground of opposition based on subsection 30(b). I consider this ground to only challenge the applicant's date of first use, not to encompass the broader issue of whether Red-brown Tablet Design functions as a trade-mark.

Non-compliance with Subsection 30(h)

The opponent pleads that the application does not include a drawing of the alleged trade-mark as used by the applicant. The opponent's first concern is that the markings LOSEC 20, which appear on the applicant's tablets, do not appear in the drawing. However, I do not find that the absence of these markings from 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 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 opponent has also pleaded that the drawing has not been lined for colour, but such lining is only mandatory when the Registrar requires it [*Trade-marks Regulations*, section 28]. In addition, the opponent makes reference to the advertisement not containing any reference to a specimen. However, the specimen does not form part of the trade-mark. [see *Mennen Canada Inc. v. Gillette Canada Inc.* (1991), 40 C.P.R. (3d) 76 (F.C.T.D.) at 87; *Novopharm Ltd. Bayer Inc.* (1999), 3 C.P.R. (4th) 305 (F.C.T.D.) at 318; *Novopharm Ltd. v. Astra Aktiebolag* (2000), 6 C.P.R. (4th) 16 (F.C.T.D.) at 22] The opponent further pleads that the trade-mark description "the colour red-brown applied to <u>substantially</u> the entire surface of a pharmaceutical tablet" is neither clear nor descriptive of a trade-mark. As I have already refused this application on another ground, I will not linger over the question of whether the meaning of "substantially" is sufficiently clear. It appears that this word may have been included in order to account for the fact that the tablets are not red-brown where the black markings appear. Given that the practice is to allow drawings to omit markings that appear on coloured tablets, it seems odd that the applicant would be penalized for being more precise by indicating in the written description that there may be some small parts of the tablet that are not red-brown.

Non-compliance with Subsection 30(i)

Two grounds have been pleaded under subsection 30(i). The first claims that the applicant could not have been satisfied that it was entitled to use the mark because it did not intend to use the mark to distinguish its wares. The facts do not lead me to conclude that there was no such intention. The second claims that the applicant could not have been satisfied that it was entitled to use the mark because the mark is functional in nature, indicative of a particular strength of the pharmaceutical preparation, omeprazole magnesium, and in view of the use by others of pharmaceutical tablets of confusingly similar appearances. Although there is some evidence that supports the allegation that the mark is indicative of a particular dosage, similar arguments concerning a mark being functional have not succeeded in past oppositions. [see *Novopharm Ltd. v. Burroughs Wellcome Inc.*, [1999] T.M.O.B. No 117 at para. 14; *Novopharm Ltd. v. Astra Aktiebolag* (2000), 6 C.P.R. (4th) 101 at 108 (T.M.O.B.)] Regarding the third arm, the opponent has not pleaded that the applicant was aware of the allegedly confusing red-brown tablets.

The subsection 30(i) grounds therefore all fail.

<u>Registrability Grounds of Opposition</u>

The opponent has pleaded four paragraphs under paragraph 38(2)(b).

Paragraph 12(1)(b)

The opponent pleads that the mark is clearly descriptive of the applied for wares. The applicant pleads that the opponent has failed to clarify how the trade-mark is descriptive. The applied for wares comprise omeprazole magnesium and there is no evidence that such active ingredient is red-

brown by nature. Instead there is evidence that the applicant sells this active ingredient in two colours, pink and red-brown, which suggests that it is not red-brown by nature. In addition, there is evidence that the colour and shape of the LOSEC product is arbitrary [Wilton affidavit, paragraph 20; Kruk cross-examination, questions 214-219]. Thus, the paragraph 12(1)(b) ground of opposition, if sufficiently pleaded, would nevertheless fail, regardless of the material date.

Section 2

The opponent pleads that the applicant's mark is not a trade-mark within the meaning of section 2 of the *Act*. The case law clearly holds that marks of this nature can function as trade-marks. [see *Smith, Kline & French Canada Ltd. v. Registrar of Trade Marks*, [1987] 2 F.C. 633 (F.C.T.D.)] The opponent alleges that it is not a trade-mark because it is not used by the applicant for the purpose of distinguishing its wares from those of others. This is essentially a pleading that the mark is not distinctive and it will not be discussed further under this ground.

Section 13

The opponent has pleaded that the applicant's alleged trade-mark is, if anything, a distinguishing guise and that its registration would unreasonably limit the prescription pharmaceutical industry. However, the case law is against the opponent. In general, the decision in *Smith, Kline & French v. Registrar of Trade-marks,* (*supra*) 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. I therefore dismiss this ground of opposition.

Subsection 12(2)

The pleadings based on subsection 12(2) have no basis since the opponent has not shown that the applicant's mark is clearly descriptive and the applicant has not claimed the benefit of subsection 12(2).

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of subsection 63(3) of the *Trade-marks Act*, I refuse the applicant's application pursuant to subsection 38(8) of the *Act*.

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

Jill W. Bradbury
Member
Trade-marks Opposition Board