LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

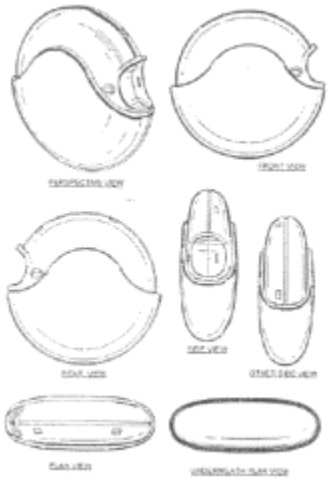
Citation: 2013 TMOB 36
Date of Decision: 2013-02-15

IN THE MATTER OF OPPOSITIONS by Canadian Generic Pharmaceutical Association to application Nos. 1,111,739 and 1,111,740 for the trade-marks Olbate Spheroid (Donut) Device in the name of Glaxo Group Limited

Introduction

[1] On August 6, 2001, Glaxo Group Limited (the Applicant) filed an application to register a distinguishing guise trade-mark, referred to as Olbate Spheroid (Donut) Device, (the Mark) based on use of the Mark in Canada since at least as early as May 1998 in association with (1) pharmaceutical preparations and substances for the prevention treatment and/or alleviation of respiratory disorders and diseases; (2) inhalers; and parts and fittings therefore. This application was assigned serial number 1,111,739.

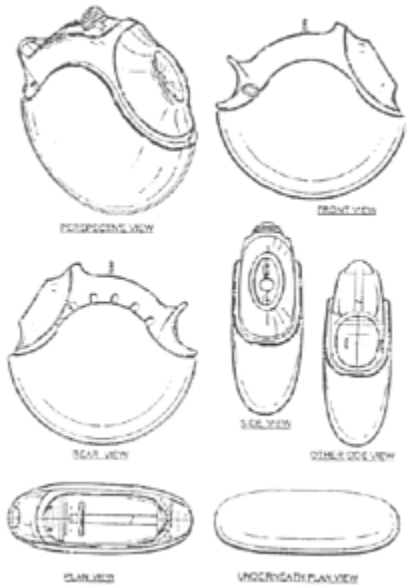
[2] The following drawing was filed with application No. 1,111,739:



[3] The application states: “The seven perspectives of the same distinguishing guise are shown in the drawing. The mark consisting of a shaping of the wares or their containers and a mode of wrapping or packaging wares.”

[4] On August 6, 2001, the Applicant filed a second application that was assigned serial number 1,111,740. Application No. 1,111,740 also seeks to register a distinguishing guise trade-mark that is referred to as Olbate Spheroid (Donut) Device, based on use in Canada since at least as early as May 1998 in association with (1) pharmaceutical preparations and substances for the prevention treatment and/or alleviation of respiratory disorders and diseases; (2) inhalers; and parts and fittings therefore.

[5] The following drawing was filed with application No. 1,111,740:



[6] The application states: "The seven perspectives of the same distinguishing guise are shown in the drawing. The mark consisting of a shaping of the wares or their containers and a mode of wrapping or packaging wares."

[7] Although the marks that are the subject of application Nos. 1,111,739 and 1,111,740 have both been referred to as Olbate Spheroid (Donut) Device, the drawings in the two applications differ. As becomes clear through the evidence, the differences arise because application No. 1,111,739 shows the device in its closed form while application No. 1,111,740 shows the device in an opened form. I shall therefore refer to the mark that is the subject of application No. 1,111,740 as Mark-O.

[8] Canadian Generic Pharmaceutical Association (the Opponent) has opposed both applications. The pleadings, evidence and argument concerning both applications are very similar. I will begin by addressing application No. 1,111,739.

Application No. 1,111,739

[9] The application for the Mark was advertised for opposition purposes in the *Trade-marks Journal* of November 7, 2007. On April 7, 2008, the Opponent filed a statement of opposition

against the application. On August 21, 2008, the Applicant requested that certain paragraphs be struck from the statement of opposition and simultaneously filed and served a counter statement. On December 10, 2008, the Opponent requested leave to amend its statement of opposition. By letter dated February 26, 2009, the Registrar granted the Opponent leave to make the amendments set out in its December 10, 2008 letter and, in response to the Applicant's August 21, 2008 request, issued an interlocutory ruling that restricted certain paragraphs of the statement of opposition as amended. On April 14, 2009, the Applicant requested leave to amend its counter statement. On June 9, 2009, the Opponent requested leave to further amend its statement of opposition. On October 29, 2009, the Applicant requested leave to further amend its counter statement. Leave was granted to each of the parties, with the result that the governing statement of opposition is that dated June 9, 2009 and the governing counter statement is that dated October 29, 2009.

[10] Both parties filed evidence, plus a written argument, and participated in an oral hearing.

[11] At the oral hearing, the Opponent withdrew four of the pleaded grounds of opposition, namely the grounds based on sections 30(a), 30(h), 12(1)(e)/10 and 12(2)/10 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act).

Grounds of Opposition

[12] The grounds of opposition pleaded by the Opponent extend to more than 30 pages and are not easily summarized. As expressed by the Applicant in its written argument, "[t]he Opponent has taken a granular, scattergun approach to these oppositions, pleading a titanic array of grounds such that there is no value in attempting to summarize them." The Applicant submits that there are three main grounds of opposition: 1) does the application conform to the requirements of section 30; 2) is the Mark registrable pursuant to sections 12 and 13; and 3) is the Mark distinctive within the meaning of section 2. In the conclusion of the Opponent's written argument, as amended by the withdrawal made at the oral hearing, the Opponent submits:

1. the application does not conform to the requirements of section 30(b) in that the Applicant has not used the Mark itself in association with the listed wares;

2. the application does not conform to the requirements of section 30(i) in that the Applicant could not have been satisfied of its entitlement to use the Mark in Canada in light of the pharmaceutical marketplace;

3. the Mark is not registrable pursuant to section 12(1)(b) in that the Mark is either clearly descriptive or deceptively misdescriptive of the character or quality of the listed wares;

4. the Mark is not registrable pursuant to section 13 in that the Mark is not a distinguishing guise;

5. the Mark is not capable of being distinctive of the Applicant, nor was it adapted to distinguish the wares of the Applicant from those of others pursuant to section 2.

Onus

[13] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the 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* (1990), 30 CPR (3d) 293 (FCTD) at 298].

Overview of the Evidence

[14] In support of its opposition, the Opponent has filed affidavits from the following individuals:

- Robert Andrew McIvor – a physician – among other things, he discusses inhalers that have been in the Canadian market including how inhalers are prescribed to and used by his patients and whether shape indicates source to patients, himself or other physicians;

- Joseph Lum – a pharmacist – among other things, he discusses inhalers that have been in the Canadian market including how pharmacists receive and transfer them and expresses his view on what the shape and/or size of inhalers means to pharmacists and patients;

- Neil McWilliams – a law clerk trainee – he provides pages from the *Compendium of Pharmaceutical Specialties* (CPS), which is a publication of the Canadian Pharmacists Association;

- Rebecca Seath (two affidavits) – a law clerk – she provides certified copies of a patent and various patent applications, as well as pages from the CPS;

- Karen Durell – a lawyer and registered patent agent – she discusses whether the mechanism of the Applicant's inhaler is covered by the Applicant's Canadian patent No. 2,037,421; and

- Deborah Kall – a law clerk – she provides copies of certain industrial design registrations owned by the Applicant.

The Applicant cross-examined Dr. McIvor, Mr. Lam and Ms. Durell, and the transcripts have been filed.

[15] In support of its application, the Applicant has filed affidavits from the following individuals:

- Cindy Roll – Director of Marketing for Respiratory at GlaxoSmith Kline Inc. (the Applicant's Canadian licensee) – she discusses the Applicant's line of inhalers, including their sales and promotion; and

- Generosa Castiglione – a trade-mark searcher – she provides copies of materials from the Trade-marks Office's examination file with respect to application No. 1,111,739.

The Opponent cross-examined both of these affiants and the transcripts have been filed.

[16] As reply evidence, the Opponent filed an affidavit of Christopher Gleave – a law clerk; he provides copies of certain advertisements referred to in the Roll affidavit.

[17] I have studied all the evidence but do not find it necessary to summarize it in detail; instead I will focus below on those portions that I consider most pertinent to the issues at hand.

Overview of the Applicant's Activities with respect to the Mark

[18] The Applicant sells a product line of inhalers used to treat asthma or chronic obstructive pulmonary disease (COPD).

[19] Inhalers are devices used to deliver medication to the respiratory tract. Inhaler devices can be classified into two main groups: i) ones that use a pressurized cartridge to deliver medication and ii) ones that require users to inhale the medication themselves. The Applicant and its affiants refer to the former as MDIs (metered dose inhalers) and the latter as DPIs (dry powder inhalers), whereas the Opponent and its affiants refer to them as boot inhalers/metered dose inhalers and rounded inhalers/non-boot inhalers/dry powder inhalers, respectively. The same medication can sometimes be prescribed in either a MDI or a DPI, the choice appears to depend in part on whether the patient is good at using a MDI since those devices are somewhat less user friendly than DPIs.

[20] The present application relates to a DPI that is sold by the Applicant; the object associated with the Mark is a plastic spherical inhaler which contains doses of dry-powder medication. This DPI was introduced into Canada in 1998; it is sold containing various doses and strengths of four different pharmaceuticals. The Applicant uses four different word marks (ADVAIR, FLOVENT, SEREVENT and VENTOLIN), as well as four different colours (purple, orange, turquoise and blue) in association with this DPI, depending on which pharmaceutical is contained in the inhaler. The doses and strengths of the medication contained in the inhalers are identified on labels attached to the DPI, where the appropriate word mark also appears.

[21] The medication contained in the Applicant's inhaler is available through prescription. This means that doctors chose to prescribe it to patients and that patients receive it through the intervention of pharmacists. This particular inhaler is packaged inside a box. The Mark does not appear on the box nor can it be seen through it. However, it is not uncommon for doctors and pharmacists to demonstrate the use of the inhaler to a patient when it is being prescribed or purchased, with the result that patients sometimes see the Mark at the time of the transfer or purchase of the inhaler.

[22] It is the Applicant's position that the shape of its DPI is unique and distinguished from the inhalers of all other companies in Canada. It is the shape of its closed device that is the Mark; during the use of the device, part of the DPI is rotated, revealing a slightly different shape, which is Mark-O. Ms. Roll refers to the shape of the inhaler that is the subject of application Nos. 1,111,739 and 1,111,740 as the Disk Inhaler, but other witnesses have referred to inhalers that bear the shape of the Mark or Mark-O as DISKUS inhalers (DISKUS being another trade-mark of the Applicant); I shall use the term Disk Inhaler.

[23] Gross sales of the Disk Inhaler in Canada have been as follows:

Year	**Gross sales**	**Number of units**
2001	in excess of $70 million	in excess of 937,000
2002	in excess of $107 million	n/a
2003	in excess of $128 million	in excess of 1.6 million
2004	in excess of $135 million	in excess of 1.6 million
2005	in excess of $140 million	in excess of 1.7 million
2006	in excess of $149 million	in excess of 2.0 million
2007	in excess of $174 million	in excess of 2.2 million
2008	in excess of $187 million	in excess of 2.2 million
2009	in excess of $199 million	in excess of 2.2 million

As noted by the Opponent, the Applicant's evidence does not indicate the volume of sales that predate the filing of the application. The evidence also does not reveal the number of patients represented by these numbers.

[24] The Applicant has also distributed millions of Disk Inhaler samples to physicians and pharmacists across Canada.

[25] Expenditures related to the advertising and promotion of Disk Inhalers exceeded $200 million between 1998 and 2009 (annual figures have been provided). This includes advertisements placed in medical journals as well as various materials provided to pharmacists and physicians for their own information and to provide to patients. While some of the materials show the Disk Inhaler in both its closed and open positions, many of the advertisements only show the opened version of the Disk Inhaler. The majority of the materials display the inhaler that is associated with the Mark in one of the four colours referred to earlier and with a label in the centre that bears one of the four word marks referred to earlier. It cannot be determined from the evidence which of the advertisements were in use prior to the filing of the application and very few of the other materials provided are stated to have been used prior to the filing of the application.

[26] Most of the Disk Inhaler materials, including the packaging, enclosure materials and labels that accompany the wares when transferred, make no reference to the shape being a mark. However, at least one exhibit, Ms. Roll's Exhibit E38 (a promotional item that the Applicant's sales representatives left with physicians/pharmacists in 2000), states the following:

> SEREVENT®, VENTOLIN® (salbutamol) and DISKUS® are registered trade-marks of Glaxo Group Limited. Glaxo Wellcome Inc., licensed use ™ The appearance, namely the colours, shapes and sizes, individually and in combination, of the SEREVENT® DISKUS® inhalation device is a trade-mark of Glaxo Group Limited, Glaxo Wellcome Inc., licensed use.

Other promotional materials, such as Ms. Roll's Exhibit E17 (a message card for health care professionals from 2001-2003), state: ™The appearance, namely the colour, shape, **and** size of the DISKUS® inhalation device is a trade-mark of Glaxo Group Limited, Glaxo Wellcome Inc., licensed use. [emphasis added] However, in both Exhibits E17 and E38 only Mark-O, not the Mark, is displayed.

Overview of Third Party Inhalers

[27] Whether or not the Mark is distinctive depends in part on whether its appearance is distinguishable from that of other inhalers. The Opponent has therefore provided evidence concerning other inhalers in the Canadian marketplace.

[28] The Opponent agrees that there are generally two types of inhalers used in the treatment of asthma and COPD. As noted earlier, the parties tend to use different terms to describe the two types. The Applicant's terminology refers more to the style of drug delivery system whereas the Opponent's refers more to the physical appearance. From my review of the evidence, I agree that boot is an appropriate description of the look of various MDI inhalers. However, it appears to me that the term non-boot better describes the variety of DPIs in the market than does "rounded", as explained further below.

[29] The Opponent's position is that the Mark resembles other DPIs in the marketplace, which explains why it has chosen to use the descriptive term "rounded" to describe them all. However, as outlined further below, while some part of each third party DPI may include a rounded surface, the overall look of the majority of such DPIs is not aptly referred to as rounded.

[30] The Opponent's affiant, Dr. McIvor (a Respirologist and Professor of Medicine), refers to an article in a medical journal that he provides as Exhibit E; he cites the article for several points concerning rounded inhalers, but I note that the article never uses the term "rounded inhalers" - instead it uses the acronym DPI. I note that the article says, "Gradually, a new generation of novel DPIs became available with extensively different designs, operating characteristics and improved drug delivery to the lung." Dr. McIvor also refers to various generations of DPIs, specifically first, second and current; he lists two members of the current generation, the TURBUHALER and DISKUS (DISKUS being a reference to the Applicant's product).

[31] Dr. McIvor describes the Disk Inhaler as round, flat and palm-sized. Dr. McIvor expresses the view that the Disk Inhaler is similar in shape to the SPIRIVA inhaler; in his opinion both resemble a lady's compact. At paragraph 37, he refers to three other "rounded inhalers that are also handheld and deliver dry powder": TURBUHALER, DISKHALER and VENTODISK. At paragraph 44, he refers to the SYMBICORT inhaler as a rounded inhaler.

[32] Exhibit D to the McIvor affidavit is a page from the 2008 CPS that shows the SPIRIVA, TURBUHALER, SYMBICORT and DISKHALER inhalers. From the photos, it appears that the SPIRIVA inhaler is the most similar in shape to the Disk Inhaler, but as the photo of the SPIRIVA inhaler is only 1 cm^2 in size it is difficult to get a good sense of its overall appearance. I note that the statement of opposition describes the SPIRIVA inhaler as egg-shaped – a

description that is not apt for the Disk Inhaler. On cross-examination, Mr. Lam (a pharmacist) described the SPIRIVA inhaler as a flattened egg and informed us that it did not come into the market until 2006.

[33] The TURBUHALER and SYMBICORT inhalers share the same shape (SYMBICORT apparently being a type of TURBUHALER inhaler) – their shape is described in both the statement of opposition and in Mr. Lam's affidavit as "silo" shaped - I agree with this description. The silo has rounded sides but I see no resemblance between these inhalers and the Disk Inhaler.

[34] The DISKHALER inhaler is described in both the statement of opposition and in Mr. Lam's affidavit as "u-shaped", which is an accurate description. It appears to be flat with one end rounded and the other end straight. I would not describe it as of a similar shape to the Disk Inhaler.

[35] Dr. McIvor has not provided a picture of the VENTODISK inhaler, but it is shown in Exhibit E to the Lam affidavit. Both the statement of opposition and Mr. Lam describe the VENTODISK inhaler as "u-shaped" and I would not describe it as of a similar shape to the Disk Inhaler.

[36] During cross-examination, after discussing various "rounded" inhalers, Mr. Lam agreed that the shapes are all quite distinct and stated, "The DISKUS Inhaler is different in shape than the other rounded ones." [lines 23-24, page 49]

Evidence from the Relevant Consumer - Physicians, Pharmacists and Patients

[37] The relevant consumer to consider with respect to pharmaceutical wares comprises three groups – physicians, pharmacists and patients [*Ciba-Geigy Canada Ltd v Apotex Inc* (1992), [1992] 3 SCR 120 at para. 110]. The Federal Court elaborated on this at paragraph 5 of *Apotex Inc v Registrar of Trade-marks et al* (2010), 81 CPR (4th) 459 (FC); aff'd (2010), 91 CPR (4th) 320 (FCA):

> Whether a mark is distinctive is a question of fact which is determined by reference to the message it conveys to ordinary consumers: see *Novopharm Ltd. v. Bayer Inc.*

> (1999), [2000] 2 F.C. 553 at para. 70, 3 C.P.R. (4th) 305 (F.C.T.D.), affirmed (2000), 9 C.P.R. (4th) 304, 264 N.R. 384 (F.C.A.). The relevant constituency of consumers of a product like this one includes physicians, pharmacists and patients: see *Ciba-Geigy Canada Ltd. v. Apotex Inc.* (1992), [1992] 3 S.C.R. 120 at para. 110, 44 C.P.R. (3d) 289 (S.C.C.). For the purposes of this case, the issue is whether … all of these consumers would, to any significant degree, recognize the … Mark by its appearance (excluding labels and packaging) and associate that get-up with a single source: see *Novopharm Ltd. v. Bayer Inc.*, above, at paras. 78-79.

[38] Thus I must assess whether physicians, pharmacists and patients recognize the Mark and associate that shape, without colour or other trade-marks, with a single source.

[39] The only evidence before me from that relevant constituency comes from the Opponent's affiants, Dr. McIvor and Mr. Lum, the Applicant having elected to not produce any such witnesses.

[40] Dr. McIvor is Staff Respirologist at the Firestone Institute for Respiratory Health at St. Joseph's Healthcare and a Professor of Medicine at McMaster University. He has been practicing medicine for over 25 years. As a result of his medical practice, Dr. McIvor states that he is familiar with the practices and views of many respirologists and family physicians in Canada in regard to asthma and COPD. In addition, Dr. McIvor spends significant amounts of time talking to patients about inhalers. (On cross-examination, the Applicant pursued the point that Dr. McIvor only knows the views of other physicians and patients to the extent that they have shared their views with him.)

[41] Dr. McIvor stated that he cannot identify the source of an inhaler merely by its shape. He also stated, "I do not consider (and I expect the same to apply to other physicians and respirologists in Canada) an inhaler device mechanism to indicate any one manufacturing source. Instead, I expect different manufacturers will continue to make DISKUS type/rounded type inhalers to deliver bronchial drugs."

[42] Dr. McIvor does not factor the shape of an inhaler into his decision of what medication to prescribe and does not write the shape of an inhaler on prescriptions.

[43] Regarding patients, Dr. McIvor states:

> In my experience (both in 2001, 2008 and today [2009]), the mere shape of an inhaler does not serve to identify the manufacturer for any patients. All of my patients are not aware who the manufacturer of their product is, even if it is on the label or on the DISKUS inhaler itself. My patients would not associate the DISKUS inhaler system or any other rounded inhaler as coming from a single source. Most patients would expect that the DISKUS inhaler would be used for several different drugs – irrespective of who the manufacturer of the drug is.
>
> Patients never refer to the manufacturers of their inhalers. When patients are using a combination of inhalers, both colour and shape are important tools for both the physician and the patient to identify which drug they are using and how often they use it.

[44] It is true that Dr. McIvor has not done any formal survey of his patients or colleagues but has made these statements based on what he has experienced over the years.

[45] Mr. Lam has been practising as a pharmacist since 1979 and also teaches pharmacists.

[46] Mr. Lam attests that inhalers dispensed to the public always bear marks or labels. He states, "Absent any labels or markings on a rounded inhaler, I would never try to identify the rounded inhaler and/or its source based solely on the shape, size or colour of the rounded inhaler."

[47] Regarding patients, Mr. Lam states:

> In 2001 and 2008, none of my customers would have associated the shape of their drug delivery device with a manufacturer. Regarding inhalers, customers and pharmacists do not consider the appearance (i.e. colour, shape and size) of the inhaler delivery devices to mean that they come from any particular source. This also applies to the shape of the inhaler devices (i.e. irrespective of colour). Rather, they associate the appearance (i.e. the colour, shape and size) of their drugs or delivery devices with their therapeutic use.

[48] The Applicant directed a number of questions to Mr. Lam on cross-examination concerning the foregoing statements and Mr. Lam clarified that "customers don't really talk about manufacturers or sources" and that in his teaching capacity "when we talk about issues that are relevant, we never talk about colour, shape, or size of any particular device." Thus the Applicant's position is that Mr. Lam has not tested either customers or pharmacists to determine if they share the views that he has expressed in the foregoing paragraph.

[49] The Applicant wants me to accept that there are other physicians and pharmacists who would associate a source with the Mark – the problem is that there is no evidence from any such individuals. The Applicant submits that Dr. McIvor and Mr. Lam cannot present the views of other physicians, pharmacists or patients; if this is correct, then the evidence is reduced to only their own personal views, but once again there is no evidence from others in the appropriate constituency to demonstrate that their views are not representative.

[50] In *Novopharm Ltd v Bayer Inc* (1999), 3 CPR (4th) 305 (FCTD) at 331, Evans J. noted that while it may not be necessary for an applicant to produce direct evidence to show that patients associate the look of a ware with a single source, the absence of such evidence is damaging where there is evidence from pharmacists and physicians to the effect that patients typically do not associate the appearance with a single source. This is the case at hand.

[51] The Opponent has pointed out that the Federal Court also accepted physician/pharmacist's evidence with regard to the perception of patients in *Apotex Inc v Registrar of Trade-marks, supra* and *Ciba-Geigy Canada Ltd v Novopharm Ltd* (1994), 56 CPR (3d) 289 (FCTD).

[52] Before proceeding, I will acknowledge that the Applicant has submitted that the evidence of Dr. McIvor and Mr. Lum is laced with inadmissible hearsay evidence and is biased. The hearsay issue largely concerns their views of whether others associate the Mark with a single source; I have addressed this evidence above. The bias issue largely concerns whether Dr. McIvor and Mr. Lam have come to expect that when generic drug products enter the market, they may have the same or a very similar appearance as the innovator's product and whether they favour such a system. As stated by Member Herzig, evidence and argument directed to the desirability of allowing manufacturers of generic pharmaceuticals to market their wares in the same or similar appearance to that of the originator manufacturer has little relevance in opposition proceedings [*Novopharm Ltd v Ciba-Geigy Canada Ltd* (1997), 81 CPR (3d) 558 (TMOB); rev'd (2000), 6 CPR (4th) 224 (FC); aff'd (2001), 15 CPR (4th) 327 (FCA); leave to appeal dismissed [2001] SCCA No. 646]. Moreover, in *Ciba-Geigy Canada Ltd v Novopharm Ltd* (1994), 56 CPR (3d) 289 (FCTD) at 309-310, Rothstein J. recognized that some physicians and pharmacists may have a loyalty one way or another and commented that where statements

are exaggerated or not reasonably based on the deponent's qualifications, this goes to weight. Therefore the concerns raised by the Applicant do not result in the evidence being disregarded but at most result in the evidence being accorded reduced weight. As discussed elsewhere, even if I reduce the weight accorded to the evidence of Dr. McIvor and Mr. Lum, it is sufficient to meet the Opponent's initial burden regarding the perception of the relevant consumer.

Section 57 Expungement of Related Trade-mark Registration

[53] The Opponent submits that the present case is analogous to *Apotex Inc v Registrar of Trade-marks et al* (2010), 81 CPR (4th) 459 (FC); aff'd (2010), 91 CPR (4th) 320 (FCA); leave to appeal dismissed, 2011 Can LII 28464 (SCC). In *Apotex*, the Applicant's trade-mark registration for the colour purple applied to the shape of its Disk Inhaler was expunged on the basis that it was not distinctive.

[54] There are of course significant differences between the *Apotex* case and the current proceeding, including the fact that the mark in *Apotex* was not a distinguishing guise, the legal onus was on Apotex rather than the owner of the mark under attack (the current Applicant), and the evidence was different (in the expungement action, the current Applicant did file evidence from physicians, pharmacists and patients to support its position). However, the case is still useful for its discussion of the issue of distinctiveness. For example, the Federal Court of Appeal stated at paragraph 6 of its decision:

> … A trade-mark is actually distinctive if the evidence demonstrates that it distinguishes the product from others in the marketplace: *Astrazeneca AB v. Novopharm Ltd.*, 2003 FCA 57, 24 C.P.R. (4th) 326 at para.16. A critical factor is the message given to the public: *Philip Morris Inc. v. Imperial Tobacco Ltd.* (1985), 7 C.P.R. (3d) 254 (F.C.T.D.), aff'd (1987), 17 C.P.R. (3d) 289 (F.C.A.). Distinctiveness is to be determined from the point of view of an everyday user of the wares in question and the trade-mark must be considered in its entirety and as a matter of first impression: *Molson Breweries v. John Labatt Ltd.* , [2000] 3 F.C. 145, 5 C.P.R. (4th) 180 at para. 83 (F.C.A.).

[55] At paragraph 221 of its written submission, the Opponent relies on the *Apotex* decision in support of the following submission:

> To establish distinctiveness, what is required is that physicians, pharmacists and patients relate the Mark to a single source and thereby use the Mark to make their

> prescribing, dispensing and purchasing choices. An educated guess about source is not enough to constitute distinctiveness and neither is a design that is simply unique in the marketplace and recognized as such. The fact that a physician or pharmacist might make an informal assumption about the provenance of a purple disc-shaped inhaler in the context of a therapeutic discussion with a patient is also insufficient to establish distinctiveness.

[56] As stated by Justice Barnes in *Apotex* at para. 14, "Demonstrating that product appearance or get-up has become distinctive is … not easy to satisfy: see *AstraZeneca AB v. Novopharm Ltd.* (2003), 2003 FCA 57 at para. 26, 24 C.P.R. (4th) 326." Barnes J. went on to say:

> [15] In the realm of prescription medications the significance of colour and shape to purchasing choices and brand identification is less obvious because, as the evidence shows, the initial choices are made on an informed basis by physicians and pharmacists. That professional intermediation is also an influential but not an exhaustive component of consumer decision-making. Prescription medications are, after all, not purchased on impulse.
>
> [16] I agree with GSK that there is nothing inherently objectionable about a trade-mark which applies to a unique combination of product shape and colour. There are, of course, well-known marks that are based on shape and colour combinations. However, in the context of a market where purchasing decisions are usually made by professionals or on the advice of professionals, the commercial distinctiveness of such a mark will be inherently more difficult to establish. That is so because, as the weight of the evidence before me establishes, physicians and pharmacists are not strongly influenced by these attributes and have no obvious reason to associate them with a single trade source or provenance. To the extent that the ultimate consumer enjoys a purchasing choice, they will also be significantly influenced by the prescribing and dispensing advice received (including labelling) and, undoubtedly, by associating products with certain well-known trade-names.
>
> [17] It is also important to remember that the consumer would only ever see the GSK Mark with a label affixed and would be presumed to rely heavily upon the printed information to draw conclusions about source. This was a point expressed by Justice Heerey in *Cadbury Schweppes Ltd. v. Darrell Lea Chocolate Shops*, [2008] FCA 470 (Fed. Ct. Australia) at paras. 64-65:
>
> > 64. Use of purple seen to be bound up with the "Cadbury" script -- purple never used in isolation [100]. The fact that purple was never used without the "Cadbury" script does not seem to be disputed; see earlier judgment [82]-[87].
> > 65. The Cadbury experts said that this was irrelevant. I do not agree. Cadbury's expert called at the earlier trial, Professor Roger Layton, Emeritus Professor of Marketing at the University of New South Wales, clearly regarded the association of brand with colour as relevant to consumer perceptions; see earlier judgment at [77]-[78]. For obvious enough reasons, consumers are never presented at the point of sale with a Cadbury product, in purple or not, without the Cadbury

> name prominently displayed. The ordinary reasonable consumer is to be credited with awareness of this when confronted with the allegedly misleading Darrell Lea product.

> If the consumer of chocolate confectionaries is presumed to have sufficient intelligence to make a product identity decision informed by a label, the consumer of pharmaceutical products must be afforded nothing less.
>
> …
>
> [19] The distinctiveness of a mark based on colour and shape may also be diminished by its association with a registered trade-name. Where a pharmaceutical product is always used in direct association with a well-known word-mark, the risk of customer confusion will be diminished, if not entirely absent, where a look-alike product is presented for purchase with a different brand name. The problem of association of marks was addressed in the case of *General Motors of Canada v. Décarie Motors Inc.* (2000), [2001] 1 F.C. 665 at para. 34, 9 C.P.R. (4th) 368 (F.C.A.) where the consistent use of the claimed word-mark "Décarie" in association with the words "Motors" and "Moteurs" was said to indicate that "Décarie" appearing in isolation represented a "weak, if not absent" use which had not acquired a secondary meaning.
>
> [20] I accept the point made by Justice John Evans in *Novopharm Ltd. v. Bayer Inc.* above, at para. 79 that it is not fatal to a trade-mark registration that consumers may use other means than the mark for identifying the product with a sole source. Nevertheless, Justice Evans qualified this with the statement that there still had to be sufficient evidence that the trade-mark was capable of being so recognized on its own. In other words, a trade-mark based on get-up cannot acquire its distinctiveness by virtue of its use in combination with a distinctive word-mark.

[57] Regarding the foregoing, I note that the Applicant has submitted that the Federal Court of Appeal corrected a misunderstanding regarding the “consumer use test”, as follows:

> [7] Glaxo characterizes the judge's reference to the "use" consumers make of the GSK Mark as a flawed application of the distinctiveness test. I disagree with that interpretation of the judge's reasons. The judge neither devised nor applied a new test. Glaxo's suggestion to the contrary constitutes a misinterpretation of the manner in which the judge utilized the word "use". The judge's statement must be read in the context in which it was written, that is, examining the process of connecting a product to its source. To be distinctive, the relevant consumers must distinguish the source's product from the wares of others, based on the source's trade-mark. Taken in context, the judge's comments demonstrate that it is the act of relating a trade-mark to its source that establishes the requisite consumer "use". If one substitutes the word "associate" for the word "use" -- which is equally consistent with the judge's reasoning -- Glaxo's argument evaporates. Accordingly, this argument fails.

Functionality and the Impact of Patents and Industrial Design Registrations

[58] The statement of opposition alleges in various sections that the Mark is functional and the subject matter of several patents and industrial design registrations. In response, the Applicant has made the following submissions, with which I agree.

[59] The Durell affidavit discusses a patent owned by the Applicant and the mechanism covered by its claims. Ms. Durell considered the inside of the Applicant's inhaler which she broke open for the purposes of her analysis.

[60] Multiple embodiments are shown in the patent but it is not the shape of the outside of the inhaler that is patented – the shape is but one embodiment of ways in which the patented mechanism may be used. As a result, once the patent expires, others could use the patented mechanism despite the issuance of the present trade-mark application; they would simply have to use a different embodiment. As stated at pages 505-506 of *Thomas & Betts, Ltd v Panduit Corp et al* (2000), 4 CPR (4th) 498 (FCA), it is possible for even a preferred embodiment to be protected as a trade-mark and some functionality is permissible in a trade-mark. The decision in *Kirkbi AG v Ritvik Holdings Inc* (2005), 43 CPR (4th) 385 (SCC) is distinguishable on the basis that there the trade-mark consisted solely of the technical and functional characteristics protected by a patent.

[61] Regarding the existence of industrial design registrations, *WCC Containers Sales Ltd v Haul-All Equipment Ltd* (2003), 28 CPR (4th) 175 (FCTD) clearly states that industrial design protection and trade-mark protection are not mutually exclusive.

Section 30(b) Ground of Opposition

[62] The Opponent has pleaded that the Mark has not been used with the applied-for wares since at least as early as May 1998, for a variety of reasons.

[63] The first reason raises the issue of whether the Mark is visible when the wares are transferred. I agree with the Opponent's submission that a trade-mark must be visible at the time of the transfer of the property in or possession of the wares in order to meet the requirements of use set out in section 4(1) of the Act. However, the fact that the distinguishing guise is enclosed

in a box does not mean that it is always not visible at the time of transfer. Both Dr. McIvor and Mr. Lum have attested that it is the practice of both doctors and pharmacists to show patients how to use an inhaler when one is first prescribed. Accordingly, patients see the distinguishing guise during the demonstration that takes place at the time of transfer of the wares and this satisfies the requirement of section 4(1).

[64] The second reason is that "the Applicant uses its packaging (i.e. the carton or box that it is transferred in) as a trademark, including the word DISKUS, the DIN, the brand name of the drug (e.g., ADVAIR, FLOVENT, SEREVENT or VENTOLIN), the dosage amount, and other information; and/or the Applicant uses the labels on the inhaler (that contain similar information) that is not included in the Mark". I interpret this pleading as saying that because the Applicant uses other marks and the like, it has not used the Mark. However, there is nothing to prevent a party from using more than one mark in association with a ware [see *AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD) at 272].

[65] The Opponent further submits that the Applicant's inhalers bear a label and markings that do not appear in the Mark. However, I consider this of no import since the applied for distinguishing guise is a shaping of wares or their containers and the shape is not changed by any labels or markings that are applied to it.

[66] For the foregoing reasons, I am dismissing the section 30(b) ground of opposition.

Section 30(i) Ground of Opposition

[67] Section 30(i) of the Act requires an application to include "a statement that the applicant is satisfied that he is entitled to use the trade-mark in Canada in association with the wares or services described in the application." Where an applicant has provided such statement, a section 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. The Applicant has provided the required statement but the Opponent submits that this is an exceptional case because the Applicant was aware that its mark was functional. I will not pursue the Opponent's argument further for two reasons. First, the issue of functionality is addressed in other grounds of opposition. Second, even if the Mark was

functional, that would not prevent the Applicant from stating in good faith that it was satisfied that it was entitled to **use** the mark, as functionality might prevent it from registering the Mark but not from using it.

[68] Therefore, the section 30(i) ground of opposition is dismissed.

Section 12(1)(b) Ground of Opposition

[69] The Opponent has pleaded that the Mark "is clearly descriptive (of an inhaler containing inhaled medication in a dry powder form) or deceptively misdescriptive of the character or quality of the wares in association with which it is used, being indicative of the active ingredient, formulation, dose and/or therapeutic use or effect".

[70] The Opponent's only written submission in support of this ground reads: "The Application is clearly descriptive of the character or quality of the wares, namely pharmaceutical preparations; or deceptively misdescriptive as the promotion and sale of the wares are not in association with the Mark, as applied for, but of the Mark with identifying labels." I do not understand how the application of identifying labels renders the Mark unregistrable under section 12(1)(b). I am therefore dismissing this ground of opposition.

Section 38(2)(d) Ground of Opposition - Distinctiveness

[71] The Opponent has pleaded that the Mark is not distinctive contrary to section 38(2)(d). The issue of whether the Mark is distinctive is a key one.

[72] According to section 2 of the Act, "'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 wares or services of others or is adapted so to distinguish them".

[73] In its written argument, the Opponent submits that there is a lack of clarity as to the material date for assessing distinctiveness, indicating that in most instances the filing date of the statement of opposition is considered to be the material date but that in some instances the filing date of the application is considered to be the material date. For this reason, the Opponent has addressed the distinctiveness of the Mark as of both dates. In my view, the analysis does not

result in a different result regardless of the date used but I will access distinctiveness pursuant to section 38(2)(d) as of the filing date of the statement of opposition, April 7, 2008 [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

[74] One of the bases on which the Opponent pleads that the Mark is not distinctive is that it does not distinguish the Applicant's wares from similarly shaped inhalers common to the pharmaceutical trade in Canada. However, I agree with the Applicant that the Opponent has not met its initial burden in this regard. Although the Opponent has relied upon at least 30 other inhalers in its statement of opposition, the submission that these are shaped similarly to the Mark is tenuous. In the Opponent's own listing in the statement of opposition, the other inhalers are described as boot shaped, silo shaped, T-shaped, egg-shaped, U-shaped, and tubular; none of these terms describe the shape of the Mark. The Opponent has sought to categorize each of the inhalers as having a rounded shaped, based simply on the fact that some portion of each inhaler may be rounded, but this does not result in them being of an overall similar shape to the Mark.

[75] Both Dr. McIvor and Mr. Lum discuss the shape of other inhalers but their initial statements that inhalers of a shape similar to the Mark are common in the market were effectively diminished on cross-examination and are not supported by the underlying evidence. Of all the third party inhalers, only the SPIRIVA inhaler bears any reasonable resemblance to the Mark. There is evidence that the SPIRIVA inhaler has appeared in various editions of the CPS subsequent to 2001. Dr. McIvor and Mr. Lum are familiar with the SPIRIVA inhaler, but there is no evidence that they would be confused between the source of that inhaler and inhalers bearing the Mark. While I accept that the SPIRIVA inhaler has some reputation in Canada, I do not accept that it is sufficiently similar to the Mark so as to affect the Mark's distinctiveness. I also note that this case is different from others that relied on extracts from the CPS in that in those cases there was evidence of multiple third party pharmaceuticals having a similar look.

[76] For the foregoing reasons, the distinctiveness ground does not succeed based on the state of the Canadian marketplace.

[77] A further basis for the Opponent's allegation that the Mark is not distinctive is that the Mark does not serve to indicate source. The Opponent's most important evidence in support of this comes from Dr. McIvor and Mr. Lum. These individuals represent relevant target consumers

of the wares and both Dr. McIvor and Mr. Lum were resolute in their stance that the shape that is the Mark does not indicate the source of the wares to either themselves, others in their professions or end consumers. While the Applicant may argue that the views of Dr. McIvor and Mr. Lum are not properly representative of the three relevant classes of consumers, I am not prepared to accept that their views are of no consequence. I believe Dr. McIvor and Mr. Lum when they say that the Mark does not indicate the source of the wares to them and there is no direct evidence that indicates that other doctors, pharmacists or patients feel otherwise.

[78] The Opponent has satisfied its initial burden by introducing some evidence concerning the perceptions of at least one doctor and one pharmacist, and arguably through these individuals the perceptions of other doctors, other pharmacists and the ultimate consumer of the wares, patients. On the other hand, despite its legal onus, the Applicant has provided no evidence from any one in the three key categories of doctors, pharmacists and patients.

[79] Although there may have been extensive sales and advertising associated with wares bearing the Mark, the case law says that such alone does not necessarily result in distinctiveness. In the present case, I am not satisfied that sales and advertising have resulted in distinctiveness given that the wares when sold and advertised are always associated with multiple other indicators of source. I will add that I consider the Applicant's evidence far from sufficient to show that the relevant public has been educated as to the trade-mark status of the applied for mark.

[80] I also note the following comments from page 339 of the Federal Court of Appeal decision in *Novopharm Ltd v Ciba-Geigy Canada Ltd* (1997), 81 CPR (3d) 558 (TMOB); rev'd (2000), 6 CPR (4th) 224 (FC); aff'd (2001), 15 CPR (4th) 327 (FCA); leave to appeal dismissed [2001] SCCA No. 646:

> [45] The judge below held that the Registrar, in relying only upon evidence that the appellants' products were popular and successful in the pharmaceutical marketplace and that there were no other products interchangeable with them, failed to apply the established principles of law with respect to distinctiveness. He found that the appellants had failed to present evidence from any consumers (doctors, pharmacists or patients) that the colour and shape of the appellants' products served to distinguish those products within any marketplace. He concluded that the Registrar's findings, that the appellant's trade-marks were, in fact, distinctive, were perverse.

> [46] In our opinion, the judge below made no error in his assessment of the evidence available on the distinctiveness issue. We agree with his assessment.

[81] The distinctiveness ground of opposition therefore succeeds on the basis that the Opponent's evidence indicates that at the material date the Mark did not actually distinguish the source of the wares and the Applicant's evidence does not satisfy me to the contrary.

Section 13 Ground of Opposition

[82] The Act provides the following definition for "distinguishing guise":

> (*a*) a shaping of wares or their containers, or
>
> (*b*) a mode of wrapping or packaging wares
>
> the appearance of which is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others.

[83] Section 13 discusses the registration of distinguishing guises:

> 13. (1) A distinguishing guise is registrable only if
>
> > (*a*) it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration; and
> >
> > (*b*) the exclusive use by the applicant of the distinguishing guise in association with the wares or services with which it has been used is not likely unreasonably to limit the development of any art or industry.
>
> (2) No registration of a distinguishing guise interferes with the use of any utilitarian feature embodied in the distinguishing guise.
>
> (3) The registration of a distinguishing guise may be expunged by the Federal Court on the application of any interested person if the Court decides that the registration has become likely unreasonably to limit the development of any art or industry.

[84] The Opponent has pleaded that the Mark is not registrable because, contrary to section 13(1)(a), it was not so used in Canada as of August 6, 2001 as to have become distinctive. In particular, it pleads that the Mark was not then capable of distinguishing the Applicant's wares and did not distinguish the Applicant's wares from those of others for the reasons set out under

its section 2 ground of opposition. As indicated under my discussion of the section 38(2)(d) ground of opposition, my analysis regarding distinctiveness does not change whether I consider the material date to be the filing date of the application (which is the material date with respect to section 13) or the filing date of the opposition. Therefore, the section 13(1)(a) ground succeeds for reasons similar to those set out with respect to the section 38(2)(d)/2 ground of opposition.

[85] However, for the reasons set out under the heading "Functionality and the Impact of Patents and Industrial Design Registrations", I am dismissing the remaining section 13 pleadings.

Application No. 1,111,740

[86] Application No. 1,111,740 was also advertised for opposition purposes in the *Trade-marks Journal* of November 7, 2007. On April 7, 2008, the Opponent filed a statement of opposition against the application for Mark-O. As occurred with respect to application No. 1,111,739, the service of the statement of opposition was followed by the filing of a counter statement, amended statements of oppositions and amended counter statements, as well as the issuance of an interlocutory ruling. The governing statement of opposition is that dated June 9, 2009 and the governing counter statement is that dated October 29, 2009.

[87] Neither party has indicated that the analysis that applies to Mark-O differs significantly from that which applies to the Mark. Therefore, the grounds of opposition succeed or fail for reasons similar to those set out with respect to application No, 1,111,739. As a result, I am refusing application No. 1,111,740 on the basis that the Applicant has not met the legal burden on it to show that Mark-O was distinctive as of either the filing of the application or the filing of the statement of opposition.

Disposition

[88] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse application Nos. 1,111,739 and 1,111,740 pursuant to section 38(8) of the Act.

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Jill W. Bradbury
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office