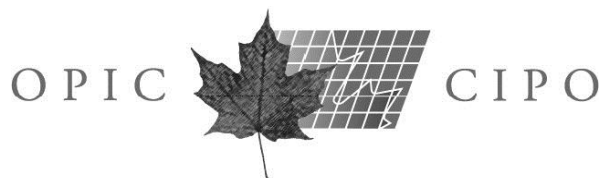


TRADUCTION/TRANSLATION



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2011 TMOB 69
Date of Decision: 2011-05-16

**IN THE MATTER OF AN OPPOSITION
by Swedish Orphan International AB to
application No. 1,213,054 for the trade-
mark ORPHAN EUROPE & Design in
the name of OE Operations, société par
actions simplifiée**

[1] On April 13, 2004, Orphan Europe, a limited liability company (the Applicant), filed an application to register the trade-mark ORPHAN EUROPE & Design (the Mark) reproduced below, on the basis of use and registration of the Mark in France under No. 94545412 in association with the following wares (as amended during the course of examining the application) and services:



[TRANSLATION]

Wares: Pharmaceutical products for rare diseases, specifically for the treatment of patent ductus arteriosus in low birth weight premature infants, of N-Acetylglutamate synthase deficiency and acute attacks of hepatic porphyria.

Services: *Publication of books and magazines; film production and use of audiovisual methods and techniques; organization and running of educational and cultural conferences, meetings, seminars and exhibitions.*

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of December 26, 2007.

[3] Swedish Orphan International AB (the Opponent) filed a statement of opposition against the application on February 21, 2008.

[4] On April 3, 2008, the Applicant filed a counter statement denying all the grounds of opposition. It also sought an interlocutory ruling on the sufficiency of the allegations in certain paragraphs of the statement of opposition. By official letter dated May 30, 2008, the Registrar found partly in the Applicant's favour. The grounds of opposition dealt with in the Registrar's interlocutory decision can be summarized as follows:

1. The application does not meet the requirements of paragraph 30(d) of the *Trade-marks Act* (R.S.C. 1985, c. T-13) (the Act) in that as of the filing date of the application in Canada, the Applicant was not using the Mark in France or in any other country in association with each of the wares and services alleged in the application;
2. The application does not meet the requirements of paragraph 30(i) of the Act in that as of the filing date in Canada, the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with each of the wares and services alleged in the application, given that the Opponent's mark SWEDISH ORPHAN & Design was subject to Canadian registration No. TMA683,087 in association with the following wares: *Medicines (orphan drugs) for the treatment of rare diseases, namely antidotes, infectious diseases, hematology, metabolic disorders, rare lung diseases and for use in oncology and pain control;*
3. Having regard to the provisions of paragraph 12(1)(d) of the Act, the Mark is not registrable in that it is confusing with the Opponent's registered mark SWEDISH ORPHAN & Design mentioned above; and

4. The Mark is not distinctive of the Applicant's wares and services within the meaning of section 2 of the Act in that the Mark is not adapted to distinguish and does not actually distinguish the Applicant's wares and services from the Opponent's wares and services in association with which the above-mentioned mark SWEDISH ORPHAN & Design is used.

[5] In support of its opposition, the Opponent filed an affidavit by James Haggerty, a trade-mark searcher employed by the firm of lawyers and trade-mark agents representing the Opponent in these proceedings, sworn on July 28, 2008, as well as certified copies of registration No. TMA683,087; the approval notice related to this application for registration; and a notice under subsection 37(3) of the Act with respect to registration No. TMA683,087. In support of its application, the Applicant filed an affidavit by Karine Jarry, a lawyer employed the firm of lawyers and trade-mark agents representing the Applicant in these proceedings, sworn on November 21, 2008.

[6] In a letter dated November 26, 2008, the firm of lawyers and trade-mark agents representing the Applicant asked the Registrar to recognize the assignment of the Mark that transpired on April 12, 2007, by a document entitled "*Contrat de cession de marques*" [contract of assignment of marks], as well as the change of address of the assignee, such that the Mark was henceforth registered as being held by OE Operations, société par actions simplifiée. I note that French registration No. 94545412, mentioned above, is also covered by this contract of assignment. Following the registration of this transfer of ownership by the Registrar, the Opponent applied for and obtained leave to amend its statement of opposition to reflect the change in ownership. Hereafter, I shall refer to OE Operations and Orphan Europe as "the Applicant", without distinction.

[7] Each of the parties filed written arguments. Only the Applicant participated in the hearing.

Analysis

[8] The onus is on the Applicant to show that its application meets 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. Once this initial burden is met, the Applicant has to prove, on a balance of probabilities, that none of the grounds of opposition impedes the registration of the Mark [see *Massimo De Berardinis v. Decaria Hair Studio* (1984), 2 C.P.R. (3d) 319 (T.M.O.B.); *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (C.F.); *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 (T.M.O.B.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al*, (2002), 20 C.P.R. (4th) 155 (F.C.A.); and *Wrangler Apparel Corp. v. The Timberland Company*, [2005] F.C. 722].

[9] Applying these principles to this case, the only ground of opposition the Registrar must decide on is that based on paragraph 12(1)(d) of the Act. Grounds of opposition 1, 2 and 4 may be summarily dismissed for the following reasons:

- (i) Ground based on paragraph 30(d) of the Act: the Opponent has not met its initial burden of proof. In the absence of evidence in the record challenging the merits of the allegation of the Applicant's use of the Mark in France as of the filing date for this application, the Applicant is not required to file evidence rebutting this ground of opposition;
- (ii) Ground based on paragraph 30(i) of the Act: this ground, as argued, is not a valid ground of opposition. The mere fact that the Applicant may have been aware of the existence of the Opponent's registered trade-mark does not bar it from making the statement set out in paragraph 30(i) of the Act in its application. Even if this ground had been validly argued, when an applicant files the statement required by paragraph 30(i), such an argument should only exceptionally be accepted, for example if the evidence demonstrates bad faith on the part of the Applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.*, 15 C.P.R. (2d) 152 (T.M.O.B.)]. Nothing in this case indicates that the Applicant was in bad faith; and

(iii) Ground based on lack of distinctiveness: the Opponent has not met its initial burden of proof. The Opponent can discharge its initial burden of proof in regard to the non-distinctiveness of the Mark by establishing that, at the date of the statement of opposition, its trade-mark had become sufficiently known in Canada to negate the distinctiveness of the Mark [see *Motel 6, Inc. v. No.6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.); and *Bojangles' International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)]. Here, the Opponent has provided no evidence of the use of its trade-mark. The mere filing of a certified copy of registration No. TMA683,087 can only establish *de minimis* use of the mark SWEDISH ORPHAN & Design. Such presumed use is insufficient in the circumstances [see *Entre Computer Centers, Inc. v. Global Upholstery Co.* (1992), 40 C.P.R. (3d) 427 (T.M.O.B.)].

[10] The only ground of opposition remaining, therefore, is that based on paragraph 12(1)(d) of the Act.

Ground based on paragraph 12(1)(d) of the Act

[11] As indicated above, the Opponent filed a certified copy of registration No. TMA683,087 for the trade-mark SWEDISH ORPHAN & Design (reproduced below) in support of its ground of opposition based on paragraph 12(1)(d) of the Act:



[12] The material date with respect to the ground of opposition based on paragraph 12(1)(d) of the Act is the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)]. I have exercised my discretion and confirmed that this registration still appears valid in the Register of Trade-marks. Accordingly, the Opponent has met its initial burden of proof. The Applicant must now show, on a balance of probabilities, that there is no likelihood of confusion between its Mark and the Opponent's.

[13] The test for confusion is one of first impression and imperfect recollection. Subsection 6(2) of the Act indicates that the use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[14] In deciding whether trade-marks are confusing, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in subsection 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the wares, services, or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. This is not an exhaustive list, and different weight may be attributed to the various factors according to the context [see *Mattel, Inc. v. 3894207 Canada Inc.* 49 C.P.R. (4th) 321 (S.C.C.); and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* (2006), 49 C.P.R. (4th) 401, (S.C.C.)].

(a) the inherent distinctiveness of the trade-marks and the extent to which they have become known

[15] The Mark is composed of both a nominal portion, the words ORPHAN and EUROPE, and a graphic portion, the representation of the word ORPHAN in boldface, centred within a circle containing two series of four curved bands located in the upper and lower parts of the circle.

[16] As submitted by the Applicant, the word ORPHAN in the context of the Applicant's wares refers to orphan drugs, which are defined in the 2nd Edition of *Canadian Oxford Dictionary* (see the dictionary excerpts filed as Exhibit KJ-2 in support of Ms. Jarry's affidavit) as "a drug that is useful but not commercially viable for the pharmaceutical company producing it unless it is granted tax credits and other special status".

[17] Also worth noting is the following definition of “*maladie orpheline*” [orphan disease] from the *Nouveau Petit Robert* dictionary, reproduced in Ms. Jarry’s affidavit: “*maladie trop peu fréquente pour que la recherche s’y intéresse*” [a disease too rare to be viable as an avenue for researchers]. Ms. Jarry’s affidavit also contains various excerpts from websites about “rare diseases” or “orphan diseases”, including an excerpt from the site <http://fr.wikipedia.org>, defining the term “*médicament orphelin*” [orphan drug], which seems to have appeared in the United States in the *Orphan Drug Act* of 1983 (see Exhibit KJ-1). In light of the dictionary definitions reproduced above, I am of the view that further consideration of the admissibility of these various websites as evidence is not necessary.

[18] The word EUROPE as a geographic designation has equally limited distinctiveness [see *California Fashion Industries Inc. v. Reitmans (Canada) Ltd.* (1991) 38 C.P.R. (3d) 439 (F.C.T.D.)]. Therefore, I find that the graphical portion of the Mark, consisting of the circle described above, is the most distinctive portion of the Mark.

[19] The same remarks apply to the Opponent’s SWEDISH ORPHAN & Design mark, making the necessary adjustments for the words EUROPE and SWEDISH. The statement of wares in registration No. TMA683,087 refers expressly to “Medicines (orphan drugs) for the treatment of rare diseases”. This registration disclaims the right to the exclusive use of the word ORPHAN apart from the trade-mark.

[20] It should be added that the Applicant further submitted during the hearing that the Opponent also states on its website that “[o]ur name, Swedish Orphan International, comes from the expression ‘orphan drugs’, a term used to describe the specialist drugs that we bring to market”. This argument by the Applicant is based on an excerpt from the website www.swedishorphan.com, filed as Exhibit KJ-3 in support of Ms. Jarry’s affidavit. The same excerpt also contains the following:

Swedish Orphan International’s business concept is to develop and supply orphan drugs – drugs designated for the treatment of rare, life-threatening or chronically debilitating diseases. Swedish Orphan International was founded in 1988 and is a pioneer within the area of orphan drugs. Swedish Orphan International has for several years been one of Sweden’s fastest growing companies, and now has affiliates throughout Europe.

[21] As I pointed out to the Applicant at the hearing, the same argument applies to the Applicant, since it also filed, as Exhibit KJ-4, an excerpt from a page of the website *www.rare-diseases.com* for the purpose of establishing the Applicant's field of activity:

Orphan Europe was founded in 1990 by Mr. William Gunnarsson with the aim to provide treatment for patients with unmet medical needs suffering from rare diseases. Orphan Europe was acquired by Recordati in December 2007. A lot has happened in 18 years; today the company provides nine orphan products to patients all over the world with the help of 130 medical, scientific and marketing specialists in over 15 countries. New subsidiaries are being created, the latest ones being set up in the Middle East region.

[22] The strength of the trade-mark may be increased by means of it becoming known through promotion or use. As indicated above, the Opponent has filed no evidence of use of its trade-mark. As for the Applicant's evidence, the website excerpts filed as Exhibits KJ-3 and 4 in support of Ms. Jarry's affidavit are insufficient on their own to establish that any of the trade-marks at issue has become sufficiently known in Canada to increase its inherent distinctiveness. I do not consider it necessary to consider any further the weight to be attributed to these two excerpts of websites, except to say that the excerpts selected by Ms. Jarry cannot be considered objective and exhaustive, nor are they sufficient on their own to prove the truth of their contents.

[23] In conclusion on this first factor, I find that the parties' marks possess overall the same degree of inherent distinctiveness, which strikes me as being relatively weak given the descriptiveness of their respective nominal portions.

(b) the length of time the trade-marks have been in use

[24] As mentioned above, there is no evidence that the parties' respective marks have been used in Canada. Although registration No. TMA683,087 mentions a Declaration of Use of the mark SWEDISH ORPHAN & Design in Canada, filed on February 7, 2007, such a declaration of use cannot by itself significantly favour the Opponent in the absence of continuous use of the mark SWEDISH ORPHAN & Design in Canada.

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

[25] The Applicant's statement of wares and the statement of wares listed in the Opponent's registration certificate both consist of pharmaceutical products or drugs for the treatment of "rare diseases". Although the nature of the rare diseases listed in each case differs, I find that there is some overlap in the nature of the parties' wares, as they both target a particular class of drugs, namely orphan drugs. I would add on this point that the Applicant itself submitted during the hearing that each of the parties positioned itself as a company focused on the development of orphan drugs [see the excerpts from the websites *www.swedishorphan.com* and *www.rare-diseases.com* reproduced above].

[26] In the circumstances, I find it reasonable to conclude that the channels of distribution of the parties' wares and the nature of the trade in question are identical, or, at least, likely to overlap. As a result, I am not prepared to attribute significant weight to the Applicant's argument that the parties' products target a clientele that is highly informed about the nature of the drugs at issue. The Applicant's evidence in website excerpts KJ-3 and 4 instead demonstrates that each of the parties does business "all over the world" and that each uses the same business model. It should also be noted that in the case of prescription drugs, the average consumer includes not only health professionals but also patients [see *Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 S.C.R. 120].

[27] As for the Applicant's services, I find it reasonable to infer that they are in the pharmaceutical field, more specifically the field of orphan diseases or orphan drugs, given the context of the Applicants' wares and the evidence introduced by the Applicant itself through Exhibit KJ-4. The case law has consistently held that statements of wares or services must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, the evidence of the actual trades of the parties is useful [see *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (F.C.A.); *Procter & Gamble Inc. v. Hunter Packaging Ltd.* (1999), 2 C.P.R. (4th) 266 (T.M.O.B.); and *American Optional Corp. v. Alcon Pharmaceuticals Ltd.* (2000), 5 C.P.R. (4th) 110 (T.M.O.B.)].

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

[28] “Realistically appraised it is the degree of resemblance between trade marks in appearance, sound or in ideas suggested by them that is the most crucial factor, in most instances, and is the dominant factor and other factors play a subservient role in the overall surrounding circumstances.” [*Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstering Ltd.* (1980), 47 C.P.R. (2d) 145 (F.C.T.D.), at page 149, affirmed by (1982), 60 C.P.R. (2d) 70 (F.C.A.)].

[29] Moreover, as mentioned above, it is well established in the case law that likelihood of confusion is a matter of first impression and imperfect recollection. In this respect, “[w]hile the marks must be assessed in their entirety (and not dissected for minute examination), it is still possible to focus on particular features of the mark that may have a determinative influence on the public’s perception of it” [*Pink Panther Beauty Corp. v. United Corp.* (1998), 80 C.P.R. (3d) 247 (F.C.A.), at paragraph 34].

[30] I agree with the Opponent that the marks at issue are very similar. Their graphic portions both consist of a representation of the word ORPHAN, prominently centred within a circle (or sphere) containing two series of four curved bands located in the upper and lower parts of the circle (or sphere). Their nominal portions also suggest similar ideas in that one refers to the geographical region of Europe and the other refers to a country in Europe, namely Sweden. It should also be noted that in terms of appearance, the words EUROPE and SWEDISH are both positioned outside the circle (or sphere), at the same height as the word ORPHAN inside it, implying that the nominal portions EUROPE and SWEDISH ORPHAN play a secondary role, serving mainly to identify the geographic origin of the wares and services of the parties or any division thereof.

Additional surrounding circumstance

[31] As an additional surrounding circumstance, the Opponent raised the state of the Register of Trade-marks with respect to trade-marks constituted of a “globe design with interior spheres”

similar to that included in the Opponent's trade-mark, in association with pharmaceutical products.

[32] More specifically, the Opponent submits that the searches of the Register of Trade-marks conducted by James Haggerty and submitted through his affidavit demonstrate that the Register contains only two trade-marks consisting of such a design, specifically the two trade-marks at issue. The Applicant submits that its searches demonstrate that, on the contrary, there exist about twenty registrations or applications for registration of trade-marks, it having searched trade-marks consisting of a globe design with interior spheres. The Applicant submits that such a figurative element is relatively common in the area of pharmaceutical products and that consumers are accustomed to distinguishing among trade-marks incorporating such a design.

[33] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located [see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 (T.M.O.B.); *Welch Foods Inc. v. Del Monte Corp.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); and *Maximum Nutrition Ltd. v. Kellogg Salada Canada Inc.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)].

[34] In this case, I note that a number of the applications for registration identified by Mr. Haggerty were not allowed. I am nevertheless prepared to grant that the ten registrations identified by the Applicant's searches support its argument that the Opponent does not have a monopoly on such a figurative element, although I also agree with the Opponent that none of the designs revealed by the searches resembles the Opponent's as much as that included in the Applicant's Mark. Therefore, I am of the opinion that the evidence of the state of the register does not significantly assist either party.

Conclusion – likelihood of confusion

[35] As indicated above, the Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. The presence of an

onus on the Applicant means that if, after all the evidence is in, a determinate conclusion cannot be reached, the issue must be decided against the Applicant [see *John Labatt*, cited above].

[36] Given the low inherent distinctiveness of the Opponent's mark and the fact that the evidence in the record does not demonstrate that it has acquired a substantial reputation in Canada, I find that the Opponent's mark is entitled to a limited scope of protection. Despite this, I am not convinced that a consumer with an imperfect recollection of the Opponent's mark SWEDISH ORPHAN & Design would not conclude, as a matter of immediate impression, that the wares and services associated with the Applicant's Mark ORPHAN EUROPE & Design, come from the same source or are otherwise related to the Opponent's wares.

[37] Although the Opponent's mark is weak, I am of the view that the Applicant has not adopted a mark that is sufficiently different from the Opponent's mark. I find that the determinative factor in this case is the strong degree of resemblance between the parties' trade-marks. Although each of elements making up the trade-marks at issue has little distinctiveness, it is striking that their arrangement is, for all intents and purposes, identical. This, combined with the fact that both parties deal in the area of pharmaceutical products for the treatment of "rare" (though different) diseases, leads me to conclude that the Applicant has failed to establish, on a balance of probabilities, that there is no likelihood of confusion between the marks at issue. I therefore allow the ground of opposition based section 12(1)(d) of the Act.

Disposition

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

Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Certified true translation
Francie Gow, BCL, LLB