



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

**Citation: 2010 TMOB 158**  
**Date of Decision: 2010-09-29**

**IN THE MATTER OF AN  
OPPOSITION by Novartis  
Pharmaceuticals Canada Inc. to  
application No. 1,291,793 for the  
trade-mark ESTRASORB in the  
name of Graceway  
Pharmaceuticals, LLC**

FILE RECORD

[1] On February 28, 2006, Novavax, Inc. (A Delaware Corporation) filed an application to register the trade-mark ESTRASORB for use in association with pharmaceuticals namely, topical hormone preparations.

The application is based on (i) use and registration of the mark in the United States of America (on November 18, 2003 under Registration No. 2,784,534) and on (ii) proposed use of the mark in Canada. The applicant filed a certified copy of the above-mentioned United States trade-mark registration as required by s.31(1) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated August 15, 2007 and opposed by Novartis Pharmaceuticals Canada Inc. on October 15, 2007. The Registrar forwarded a copy of the statement of opposition to the applicant on November 8, 2007, as required by s.38(5) of the *Trade-marks Act*. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[2] The opponent's evidence consists of the affidavits of Amal Khouri and certified copies of the trade-mark registrations relied on by the opponent in the statement of

opposition. The applicant's evidence consists of the affidavit of Lynda Palmer. Shortly after filing its evidence, Novavax, Inc. assigned the mark ESTRASORB to Graceway Pharmaceuticals, LLC, the present applicant of record. Both parties filed a written argument, however, only the applicant was represented at an oral hearing held on August 31, 2010.

[3] The originally executed affidavit of Mr. Khouri, filed with the Board on February 28, 2008, could not be located in advance of the scheduled hearing date. However, the opponent co-operated with the Board's request for a copy of Mr. Khouri's affidavit, and exhibits thereto, which were forwarded to the Board on August 24 and 25, 2010. At the commencement of the hearing, I informed counsel for the applicant of the circumstances relating to the opponent's evidence. Counsel for the applicant had no objection to the Board basing its decision on a copy of Mr. Khouri's affidavit and exhibits thereto, rather than on the originally executed evidence which was not available at the date of the hearing, nor available at the date of decision.

#### STATEMENT OF OPPOSITION

[4] The first ground of opposition alleges that the application does not comply with s.30(i) of the *Act* because at the date of the application, the applicant was aware of the opponent's registered trade-marks ESTRADERM and ESTRADERM TTS, covering the wares

estradiol administered by means of a patch or bandage  
attached to the skin of humans,

and ESTRACOMB covering the wares

transdermal hormonal preparation for treatment of  
menopausal disorders administered by means of a patch.

[5] The second ground, pursuant to s.12(1)(d), alleges that the applied for mark ESTRASORB is not registrable because it is confusing with the opponent's registered trade-marks referred to above.

[6] The third and fourth grounds, pursuant to s.16(2)(a) and s.16(3)(a), allege that the applicant is not entitled to register the applied for mark ESTRASORB because, at the

date the application was filed, the mark ESTRASORB was confusing with the opponent's above mentioned marks previously used in Canada by the opponent.

[7] The fifth ground alleges that the applied for mark is not adapted to and does not distinguish the wares of the applicant from the wares of the opponent.

#### APPLICANT'S EVIDENCE

##### *Lynda Palmer*

[8] Ms. Palmer is a trade-mark searcher who performed various searches of the trade-marks register for marks used in association with pharmaceutical or health care products, as well as searches of other sources, including reference texts, relating to pharmaceuticals. The results of her searches are extensively and comprehensively compiled in two volumes of exhibit material which may be summarized as follows:

##### *trade-marks register*

[9] There are 25 marks, consisting of 8 applications and 17 registrations, which include the component ESTRA, standing in the names of 15 different owners. The opponent's three registrations and the subject application are included in the count. Further, while the component ESTRA appears as the prefix or suffix in most of the marks, in several instances the component ESTRA appears in the main body of the mark as in, for example, QUESTRAN; SUPERGESTRAN; and NESTRAZAR.

[10] There are 15 marks, consisting of 1 application and 14 registrations, which include the component ESTRO, standing in the names of 15 different owners. The component ESTRO appears as the prefix or suffix in most of the marks, however in some instances the component ESTRO appears in the main body of the mark as in, for example, DELESTROGEN and LIMMEGESTROL.

[11] There are 34 marks which include the component ACE (standing in the names of 28 different owners); 36 marks which include the component HYDRO (standing in the names of 22 different owners); and 39 marks which include the component CHLOR (standing in the names of 28 different owners). The component ACE is indicative of the chemical acetyl; the component HYDRO is indicative of the chemical hydrogen dioxide (water); and the component CHLOR is indicative of chlorophyll and also of chlorine.

##### *other sources*

[12] Estrogen is a term that is indicative of a steroid hormone produced in the ovaries. It is an estrogenic hormone that regulates female sexual development and reproductive function. Estradiol is the most potent of the estrogenic hormones. Estrane is the “parent steroidal precursor of the estrogens.”

OPPONENT’S EVIDENCE

*Amal Khouri*

[13] Mr. Khouri identifies himself as an employee of the opponent Novartis. He states that the opponent’s ESTRADERM and ESTRACOMB products are patches that contain estrogen and progesterone hormones. The patches are applied to the body and the hormone is absorbed through the skin. The products are available with a doctor’s prescription. ESTRADERM was introduced into the Canadian market in 1987 while ESTRACOMB was introduced into the Canadian market in 1994. Sales of ESTRACOMB peaked at \$4.2 million in 1998 and have declined since, reaching a low of \$538,000 in 2007. Sales averaged \$3.5 million annually from 1997 to 2003, and averaged \$650,000 annually from 2004 to 2007. Sales of ESTRADERM also peaked in 1998, at \$26.1 million, and have also declined since, reaching a low of \$3.9 million in 2007. Sales averaged \$16.3 million annually from 1997 to 2003, and averaged \$4.9 million annually from 2004 to 2007.

[14] The opponent’s ESTRADERM and ESTRACOMB products were advertised to physicians and other health care providers in hospitals, clinics and private practices throughout Canada when they were first introduced to Canada. Advertising for ESTRACOMB amounted to about \$277,000 in the three year period 1998 to 2000. Promotion of ESTRADERM and ESTRACOMB stopped in about 2005 as the opponent considered them to be “well-established products.”

#### LEGAL ONUS AND EVIDENTIAL BURDEN

[15] The legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant. However, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298. The presence of an evidential burden on the opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

#### MAIN ISSUE & MATERIAL DATES

[16] The main issue in this proceeding is whether the applied for mark ESTRASORB is confusing with one or more of the opponent's marks ESTRADERM; ESTRADERM TTS; and ESTRACOMB. The legal onus on the applicant is to show that there would be no reasonable likelihood of confusion, within the meaning of s.6(2) of the *Act*, shown below, between the applied for mark ESTRASORB and any of the opponent's marks:

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 . . . associated with those trade-marks are manufactured . . . by the same person, whether or not the wares . . . are of the same general class.

Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods from one source as being from another source. In the instant case, the question posed by s.6(2) is whether there would be confusion of topical hormone preparations emanating from the applicant as being topical hormone preparations provided by the opponent.

[17] The material dates to assess the issue of confusion are (i) the date of decision, with respect to the ground of opposition alleging non-registrability: see *Andres Wines*

*Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.); (ii) the date of filing the application, in this case February 28, 2006, with respect to the ground of opposition alleging non-entitlement: see s.16 of the *Trade-marks Act*; (iii) the date of opposition, in this case, October 15, 2007, in respect of the ground alleging non-distinctiveness: see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and *Clarco Communications Ltd. v. Sassy Publishers Inc.* (1994), 54 C.P.R.(3d) 418 (F.C.T.D.). In the circumstances of the instant case, nothing turns on whether the issue of confusion is assessed at a particular material date.

#### TEST FOR CONFUSION

[18] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in s.6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

#### *Consideration of s.6(5) Factors*

[19] The applied for mark ESTRASORB has some degree of inherent distinctiveness as it is a coined word. However, it is a relatively weak mark when used in association with the applicant's wares because the mark as a whole is suggestive of "estrogen (or estradiol) absorption," which is the intended result of the applicant's product. There is no evidence indicating that the applied for mark acquired any reputation in Canada at any material time. Similarly, the opponent's marks are relatively weak marks as the first portion of the opponent's marks suggests the hormone estrogen or estradiol while the second portions suggests (i) "skin," DERM being a truncation of dermal or dermis, and

(ii) “combination,” as pharmaceuticals are often combinations of drugs. I infer from Mr. Khouri’s evidence that the opponent’s marks ESTRADERM and ESTRACOMB had acquired some reputation at all material times, but had not acquired a highly significant reputation at any material time. The length of time that the marks in issue have been in use favours the opponent, as the opponent began to use its marks more than a decade before the filing date of the subject application. There is no evidence that the applicant has started to use its mark ESTRASORB. The nature of the parties’ wares and trades, as far as I am able to deduce from the evidence of record, are essentially the same.

[20] The marks in issue resemble each other to a fair degree in appearance, sounding and ideas suggested owing to the component ESTRA which is common to the parties’ marks. In the instant case, the applicant’s evidence shows that it is not uncommon in the pharmaceutical industry to truncate a chemical term which is then employed as a component in a trade-mark. The applicant’s state of the trade-marks register evidence further shows that the term ESTRA has been utilized by several traders as components in their marks. Thus, in general the public has some familiarity with a short form of a chemical as the first component of a pharmaceutical mark, and in particular the public has some familiarity with the term ESTRA as a component of trade-marks for pharmaceuticals comprised of the hormone estrogen or estradiol.

[21] The marks in issue necessarily resemble each other to a fair degree in appearance, sounding and ideas suggested owing to the term ESTRA which forms the prefix of each of the marks in issue. However, it is the marks in their entirety that must be considered. Ordinarily it is the first portion of a mark that is the most important for the purpose of distinguishing between marks and in the instant case the component ESTRA may be considered as the dominant first portion of each of the marks in issue. However, when the first or dominant portion of a mark is a common descriptive word, its importance diminishes: see *Conde Nast Publications Inc. v. Union Des Editions Modernes* (1979) 26 C.P.R.(2d) 183 at 188 (F.C.T.D.); *Vancouver Sushiman Ltd. v. Sushiboy Foods Co.* (4th) 22 C.P.R. (4th) 107 (TMOB). In the instant case, the component ESTRA would readily be perceived as a shortened form of the chemical “estrogen.” Accordingly, in the present case there would be a tendency to discount the importance of the prefix ESTRA in the parties’ marks and by corollary to focus more on their other components. As noted in

*United Artists Corp. v. Pink Panther Beauty Corp.* (1998), 80 C.P.R. (3d) 247 at 263 (F.C.A.),

While the marks [in issue] 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."

Of course, in the instant case the second portions of the parties' marks bear no resemblance to one another.

[22] The applicant has brought to my attention the following principles of trade-marks law enunciated in *General Motors v. Bellows* (1949) 10 C.P.R. 101 at 115 and 116 (S.C.C.):

. . . where a party has reached inside the common trade vocabulary for a word mark and seeks to prevent competitors from doing the same thing, the range of protection to be given him should be more limited than in the case of an invented or unique or non-descriptive word

. . . where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolize the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.

No doubt there is a public interest against confusion of these marks, but on the other hand there is a like interest in the freedom of the individual trader in ordinary trade practices and in particular in using the main stock of the language.

(emphasis added)

In my view the principles enunciated above are applicable in the instant case.



DISPOSITION

[23] Having regard to the foregoing, and discounting to some extent the importance of the prefix ESTRA when considering the resemblance of the parties marks in their entirety, and taking into account the other factors discussed under s.6(5), I find that the applicant has met the onus on it to show, on a balance of probabilities, that the applied for mark is not confusing with any of the opponent's marks, at all material times. The opposition is therefore rejected.

[24] This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

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Myer Herzig  
Member  
Trade-marks Opposition Board