Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 249

Date of Decision: 2022-12-08

IN THE MATTER OF OPPOSITIONS

Opponent: Canadian Generic Pharmaceutical Association

Applicant: Glaxo Group Limited

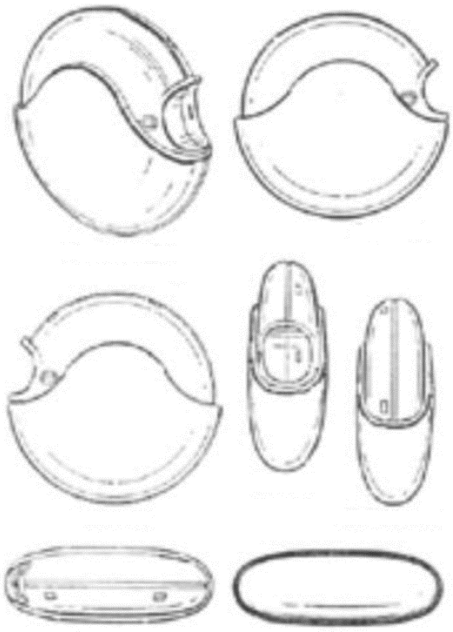
Applications: 1,626,790 for OLBATE SPHEROID (DONUT) DEVICE, and

1,626,792 for OLBATE SPHEROID (DONUT) DEVICE

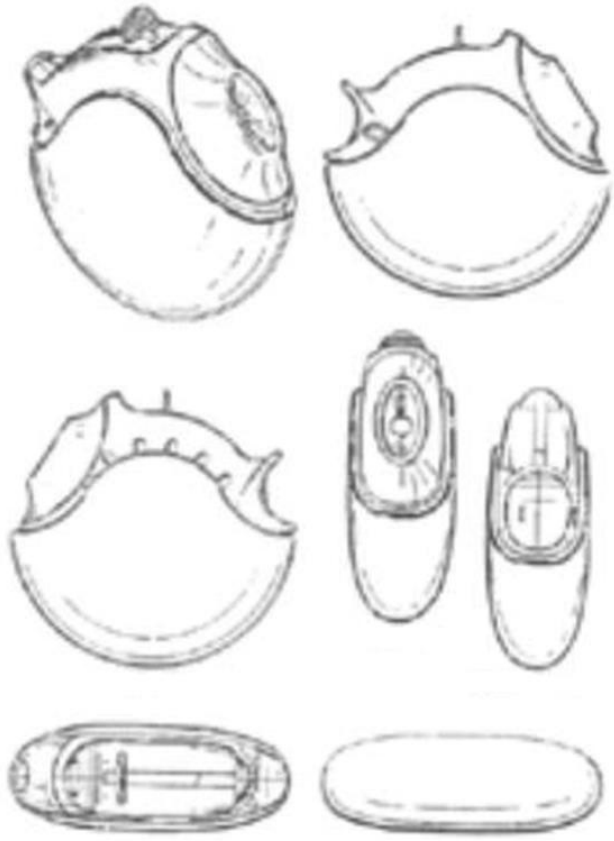
OVERVIEW

[1] On May 15, 2015, Glaxo Group Limited (the Applicant) filed applications to register two distinguishing guise trademarks, each entitled OLBATE SPHEROID (DONUT) DEVICE. The applications were opposed by the Canadian Generic Pharmaceutical Association (the Opponent). The distinguishing guises are depicted below, and are described in each application as follows: “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.”

Application No. 1,626,790 (the '790 Application)



Application No. 1,626,792 (the '792 Application)



[2] The applications depict the Applicant's pharmaceutical inhaler device in the closed (the '790 Application) and open (the '792 Application) positions, respectively.

[3] This is not the first occasion in which these two parties have contested the registrability of these two distinguishing guises. Previously, in 2001, the Applicant applied to register the same two distinguishing guises. Those earlier applications were also opposed by the Opponent and the applications were ultimately refused by the Registrar in a decision dated February 15, 2013 [see *Canadian Generic Pharmaceutical Assn v Glaxo Group Ltd*, 2013 TMOB 36, 113 CPR (4th) 226 (*CGPA Opposition #1*)]. In *CGPA Opposition #1*, the Registrar held that the Applicant had not established that the two trademarks were distinctive of the Applicant, and therefore the Opponent's grounds of opposition under sections 2 and 13(1)(a) of the *Trademarks Act* (the Act) were successful. That decision of the Registrar was not appealed.

[4] Three months after the Registrar's decision in *CGPA Opposition #1*, the Applicant filed the present two applications. The Applicant's position as to why it should succeed in the present case despite the adverse result in *CGPA Opposition #1* is essentially twofold. First, the Applicant argues that there has been a change in law since *CGPA Opposition #1* which the Applicant says supports its position that the trademarks are distinctive. Second, the Applicant relies on new evidence, most notably the results of a survey which it did not file in *CGPA Opposition #1*.

[5] For the reasons set out below, I disagree with the Applicant's position that the result in this case should be different from that in *CGPA Opposition #1*. I refuse both applications on the same basis as in *CGPA Opposition #1*, namely, a lack of distinctiveness in accordance with the grounds of opposition under sections 2 and 13(1)(a) of the Act.

THE '790 APPLICATION

[6] Except for the differences in the distinguishing guises themselves, the applications, grounds of opposition, material dates, evidence, and legal issues are all essentially identical as between the '790 Application and the '792 Application.

Consequently, I will begin with a consideration of ’790 Application, and will then briefly discuss the ’792 Application.

The Record

[7] The ’790 Application for the distinguishing guise trademark titled OLBATE SPHEROID (DONUT) DEVICE (the Mark) is based on use of the Mark in Canada since at least as early as May 1998 in association with the following goods:

> (1) Pharmaceutical preparations and substances for the prevention treatment and/or alleviation of respiratory disorders and diseases namely asthma and chronic obstructive pulmonary disease.
>
> (2) Inhalers; and parts and fittings therefore.

[8] The ’790 Application was advertised for opposition purposes in the *Trademarks Journal* on July 27, 2016. On December 23, 2016, the Opponent filed a statement of opposition pursuant to section 38 of the Act. An interlocutory ruling striking certain grounds of opposition was issued by the Registrar on September 20, 2017; however, leave to file an amended statement of opposition dated April 20, 2018 and twice amended statement of opposition dated April 24, 2018 was subsequently granted. It is therefore the pleadings set out in the twice amended statement of opposition that govern this proceeding.

[9] The Act was amended on June 17, 2019. Since the ’790 Application was advertised prior that date, pursuant to section 70 of the Act, the Act as it read prior to June 17, 2019 will be applied in assessing the grounds of opposition. This is particularly noteworthy here given that provisions in the Act prior to June 17, 2019 relating to distinguishing guises (e.g. sections 2 and 13) will still be applied in this case, despite the concept of a “distinguishing guise” ultimately being removed from the Act by way of the June 17, 2019 amendments.

[10] The Opponent’s twice amended statement of opposition is 18 pages in length and asserts numerous grounds of opposition, namely, non-registrability under section 12(1)(b), 12(1)(e), 12(2) and 13, non-distinctiveness under section 2, and non-

compliance with sections 30(a), 30(b), 30(h), and 30(i) of the Act. Certain allegations regarding functionality and distinctiveness are asserted by the Opponent as a basis for multiple grounds of opposition, as will be discussed further, below. At the hearing, the Opponent indicated that it would not be pursuing the grounds of opposition under sections 30(h) and 12(1)(e), and so those grounds are considered to be withdrawn and are not included in the analysis.

[11] The Applicant filed a counter statement (and was later granted leave to file an amended counter statement) denying the grounds of opposition.

[12] Both sides filed extensive evidence and conducted cross-examinations on many of the affidavits. Both parties filed written representations and were ably represented at the hearing.

Evidence

[13] Much of the evidence in this case overlapped in content with that which was considered and discussed by the Registrar in *CGPA Opposition #1.* This is unsurprising given that the parties and trademarks in issue were identical and many of the same grounds of opposition were raised. Consequently, I think it is useful by way of introduction to quote the following passage from *CGPA Opposition #1* which summarizes some basic facts which do not appear to be in dispute:

> 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) […] 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.

[14] I note that in addition to the metered dose inhalers (MDIs) and dry powder inhalers (DPIs) referenced above, both parties' affiants in this case also referenced a third and newer category of inhaler known as soft mist inhalers (SMIs); however, SMIs do not appear to have any bearing on the analysis of the issues in this case.

[15] The Mark that is the subject of the '790 Application is the shape of Applicant's DPI inhaler in the closed position. The Applicant's inhaler is commonly referred to in the evidence as the DISKUS inhaler (DISKUS being another trademark of the Applicant). Some of the affiants also refer to the inhaler as the DONUT DEVICE.

[16] With the above background in mind, I will now discuss the individual affidavits filed in this proceeding. As noted above, the evidence in this case comprised many volumes. Thus, I will not summarize it all, and will instead focus on those aspects which I found to be most pertinent.

The Opponent's Evidence-in-chief

[17] The Opponent's evidence consists of the affidavit of Dr. Andrew McIvor sworn July 5, 2017 (the "McIvor Affidavit"), the affidavit of Mr. Jauher Ahmad, sworn September 7, 2017 (the "Ahmad Affidavit"), the affidavit of Mr. Michael Stewart, sworn September 19, 2017 (the "Stewart Affidavit"), the affidavit of Ms. Katie Krajacic, sworn September 19, 2017 (the "Krajacic Affidavit"). Dr. McIvor, Mr. Ahmad and Mr. Stewart were cross-examined and the transcripts are of record.

The McIvor Affidavit

[18] Dr. McIvor is a practicing physician and Staff Respirologist and Professor of Medicine at McMaster University, Firestone Institute for Respiratory Health. His affidavit describes the various types of inhalers used in Canada for the treatment of asthma and chronic obstructive pulmonary disease (COPD), namely, metered-dose inhalers (MDI), dry-powder inhalers (DPI) and soft-mist inhalers (SMI), and in particular the Applicant's DISKUS brand DPI.

[19] Dr. McIvor states that in his experience, neither doctors nor patients consider inhalers to relate to any particular manufacturing source; instead, inhalers are considered to be functional devices and that if anything, the appearance relates to the therapeutic use. He states that in deciding which medication to prescribe, the shape and/or size of the inhaler is not a factor in his decision. He further states that in his experience, the mere shape of an inhaler does not serve to identify the manufacturer for any patients.

The Ahmad Affidavit

[20] Mr. Ahmad is a practicing pharmacist and owner of Whole Health Pharmacy in Mississauga, Ontario. He also teaches and trains new pharmacists and pharmacy technicians.

[21] He describes that pharmacists are careful in dispensing medications and rely on the information on the box and on the inhalers (e.g. brand name, chemical name, drug information number (DIN)) to identify the medication. The appearance of a medication, such as an inhaler, is used as a secondary check to ensure that an error has not been made. When reviewing the appearance of an inhaler, the label on the inhaler is part of the appearance that must be checked. He states that pharmacists do not dispense medication based solely on the colour, shape or size of the medicament itself as in the case of a pill tablet or capsule or in the case of an inhaler, the colour, shape or size of container in which the medicament is housed. Rather, pharmacists dispense medications based on the information provided by the prescribing physician and use the appearance of the medication as a secondary check to confirm that the correct

medication has been used to fill the prescription. He states that patients who are prescribed the DISKUS inhaler typically do not refer to the manufacturer of the inhaler in describing the device; rather, they will most often refer to a combination of the medicine (e.g. ADVAIR), the colour (e.g. the purple one) or the shape (e.g. the round one or DISKUS).

The Stewart Affidavit

[22] Mr. Stewart is a registered patent agent and consultant to the patent and trademark agent firm Sim & McBurney. He discusses the relationship between the configuration of the Applicant's inhaler and certain Canadian patents and patent applications, including the Applicant's Canadian patent No. 2,037,421.

The Krajacic Affidavit

[23] Ms. Krajacic is a law clerk with the agent for the Opponent. She provides copies of certain Canadian patents, patent applications, industrial design registrations, and certified copies of the file history of various trademark applications.

The Applicant's Evidence

[24] The Applicant's evidence consists of the affidavit of Perry McLean dated November 21, 2018 (the "McLean Affidavit"), the affidavit of Brian Sowers dated November 19, 2018 (the "Sowers Affidavit") and a certified copy of the affidavit of Dr. Andrew McIvor sworn February 20, 2009 which was filed in *CGPA Opposition #1*. Mr. McLean and Mr. Sowers were cross-examined and the transcripts are of record.

The McLean Affidavit

[25] Mr. McLean is the Respiratory Marketing Head at GlaxoSmithKline Inc., a licensee of the Applicant in respect of the Mark in question.

[26] He states that while there are a variety of DPIs available in Canada, the DISKUS inhaler is the only DPI in the form of a flattened sphere. The device was first introduced to the Canadian marketplace in 1998 in association with the GSK brands, including

ADVAIR, FLOVENT, SEREVENT and VENTOLIN. No other competitors use a device with a flattened sphere shape.

[27] He states that the DISKUS inhaler is an arbitrary shape, in the sense that it does not need to be in the shape of a flattened sphere for the inhaler to function.

[28] Since its introduction in 1998, annual sales of DISKUS inhalers in Canada have ranged from in excess of $1 million to in excess of $200 million (representing from in excess of 38,000 units to in excess of 2.3 million units sold annually).

[29] The DISKUS inhalers are marketed extensively to physicians and pharmacists, including by way of demonstrator inhaler devices.

The Sowers Affidavit

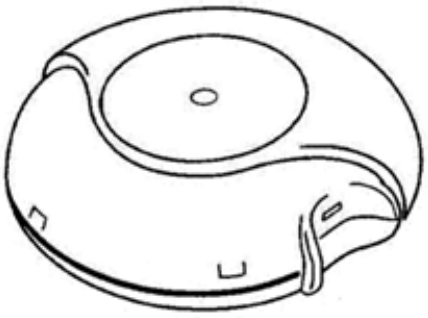
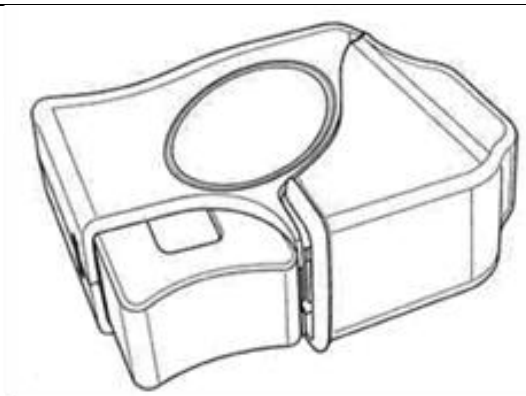
[30] Mr. Sowers is a Principal at Applied Marketing Science, Inc., a market research and consulting firm, where he leads the firm's Litigation Support Practice.

[31] He states that he was asked by counsel for the Applicant to design, conduct, analyze and report on a survey to determine the extent to which the shape of Glaxo's DONUT DEVICE prescription inhaler is distinctive of Glaxo in Canada. He states that the criterion for acquired distinctiveness, as it applies to this matter, is whether relevant individuals associate the design and appearance of the DONUT DEVICE with a single source and can name the source. I note that this is Mr. Sowers' characterization of the criterion for acquired distinctiveness as expressed at paragraph 7 of his affidavit; however, the relevant test as established by Canadian jurisprudence is discussed in greater detail in the analysis of the grounds of opposition, below.

[32] The survey was administered via an Internet questionnaire to three tracks of participants, namely, (1) Canadian physicians who prescribe medications for asthma or COPD, (2) Canadian pharmacists who fulfill or dispense prescriptions for asthma or COPD, and (3) Canadian patients who suffer from asthma or COPD.

[33] Set out below are the test stimulus and control stimulus used in the survey. The test stimulus is a black and white depiction of the Applicant's inhaler device in the

closed position free of any of the conventional word and design branding that would be present in the marketplace. The control stimulus is a black and white depiction of an unbranded inhaler that is not currently available in the Canadian market.

Test Stimulus	**Control Stimulus**
	

[34] Mr. Sowers states that based on the results of the survey, it is his opinion that the shape of the Applicant's DONUT DEVICE prescription inhaler is distinctive of the Applicant in Canada among physicians and pharmacists. Specifically, 53.2% of Canadian physicians associate the design and appearance of the DONUT DEVICE with one particular company and specifically identified Glaxo or a Glaxo branded inhaler. 62.6% of Canadian pharmacists associate the design and appearance of the DONUT DEVICE with one particular company and specifically identified Glaxo or a Glaxo branded inhaler.

[35] Mr. Sowers states that he is not aware of any specific Canadian law that provides guidance as to the levels of association necessary for establishing acquired distinctiveness. However, he states that it is his understanding based on J. Thomas McCarthy, an authority on U.S. case law, that these results are well above the levels that have been held by U.S. courts to be probative of acquired distinctiveness. In this regard, Mr. Sowers includes as a footnote in his affidavit a reference to a particular section of the legal text *McCarthy on Trademarks and Unfair Competition*, 5th Ed. §32:190. A copy of this section of the legal text was not included in the Sowers Affidavit but was included in the Applicant's answers to undertakings from the cross-examination of Mr. Sowers.

[36] In addition, Mr. Sowers states that the results of the survey show that 11.7% of Canadian patients associate the design and appearance of the DONUT DEVICE with one particular company and specifically identified Glaxo or a Glaxo branded inhaler.

The Opponent's Reply Evidence

[37] The Opponent's Reply evidence consists of the Affidavit of Dr. Kenneth Deal dated December 16, 2019 (the "Deal Affidavit") and the Affidavit of Paula Rembach dated December 12, 2019 (the "Rembach Affidavit"). Dr. Deal was cross-examined and the transcript is of record.

The Deal Affidavit

[38] Dr. Deal is a Professor of Marketing at DeGroote School of Business at McMaster University. He provides various critiques of the survey conducted by Mr. Sowers and concludes that in his opinion, due to major flaws in the survey, it cannot be used to make inferences to the general Canadian population that the shape of Glaxo's DONUT DEVICE prescription inhaler is distinctive of Glaxo. Dr. Deal's criticisms of the survey include that the relevant universe of survey participants was not defined correctly, that there was a failure to eliminate respondents for potential bias, that the survey questions were leading, that an irrelevant picture of the inhaler was used, among many others.

The Rembach Affidavit

[39] Ms. Rembach is a Research Analyst with the Opponent. She provides data which indicates that in 2017 in Canada, GlaxoSmithKline had the largest number of inhalers sold both in terms of dollar amounts and number of inhalers sold. Its sales were approximately twice as large as the next largest competitor.

Onus

[40] The legal onus is on the Applicant to show that the Application complies with the provisions 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 must satisfy the Registrar, on a balance of probabilities, that the grounds of opposition pleaded should not prevent the registration of the Mark [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

Issues

[41] The grounds of opposition in this case under sections 2, 12, 13, 30(a), 30(b), 30(h) and 30(i) were also raised by the Opponent in *CGPA Opposition #1*. In that case, the Opponent was successful with its grounds of opposition under sections 2 and 13(1)(a), and the remaining grounds of opposition were rejected or withdrawn. I note that the section 30(a) ground in this case is maintained by the Opponent whereas it was withdrawn by the Opponent in *CGPA Opposition #1*.

[42] It is apparent from the parties pleadings, evidence and submissions that there are two key issues in this proceeding. Each of these two issues constitutes a basis for multiple grounds of opposition raised by the Opponent. The two key issues are:

1) Is the Mark unregistrable due to the doctrine of functionality?

2) Is the Mark distinctive of the Applicant?

[43] I will address these two issues, below, and then deal with the remaining technical grounds of opposition.

Issue 1: Is the Mark unregistrable due to the doctrine of functionality?

[44] The doctrine of functionality is asserted as a basis for the Opponent's grounds of opposition under sections 2, 12(1)(b), 12(2), 13 and 30(i).

[45] The starting point for a discussion of the doctrine of functionality is the Supreme Court of Canada's decision in *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65, 43 CPR (4th) 385 (*Kirkbi*), which is relied on by the Opponent. Paras 44 to 46 of *Kirkbi* characterize the doctrine as follows:

> 44 In Canada, as in several other countries or regions of the world, this doctrine is a well-settled part of the law of trade-marks. In the law of intellectual property, it prevents abuses of monopoly positions in respect of products and processes. Once, for example, patents have expired, it discourages attempts to bring them back in another guise.
>
> 45 The doctrine of functionality is a well-established principle of the Canadian law of trade-marks. Indeed, our Court characterized it in 1964 as a "well-settled principle of law":
>
> > The law appears to be well settled that if what is sought to be registered as a trade mark has a functional use or characteristic, it cannot be the subject of a trade mark. (*Parke, Davis & Co. v. Empire Laboratories Ltd.*, [1964] S.C.R. 351, at p. 354, *per* Hall J.)
>
> 46 The Federal Court of Canada has consistently applied this doctrine. As in the present case, it has held time and again that no mark could consist of utilitarian features. Otherwise, it would make the wares a part of the mark and grant a monopoly on their functional features.

[46] In *Kirkbi*, the plaintiff was unsuccessful in an action for passing off under section 7(b) of the Act in respect of its LEGO brand plastic bricks, the Court stating as follows at paragraph 3:

> Although I hold that s. 7(*b*) is a valid exercise of the federal power over trade and commerce, I agree that the action should be dismissed and that the majority judgment of the Federal Court of Appeal should be upheld. A purely functional design may not be the basis of a trade-mark, registered or unregistered. The tort of passing off is not made out. The law of passing off and of trade-marks may not be used to perpetuate monopoly rights enjoyed under now-expired patents. The market for these products is now open, free and competitive. [Emphasis added]

[47] With reference to the Mark in this case, I note that in *CGPA Opposition #1*, the Opponent raised essentially the same arguments as it does here, namely, that registration of the Mark is prohibited by the doctrine of functionality because the inhaler device which is the subject of the Mark appears in various patent and industrial design registrations (e.g. the Applicant's Canadian patent No. 2,037,421). Those arguments were rejected by the Registrar in *CGPA Opposition #1* for the following reasons:

> 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.* (2000), 4 C.P.R. (4th) 498 (Fed.C.A.), 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. / Gestions Ritvik Inc.* (2005), 43 C.P.R. (4th) 385 (S.C.C.) 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 C.P.R. (4th) 175 (F.C.) clearly states that industrial design protection and trade-mark protection are not mutually exclusive.

[48] The Opponent in this proceeding argues that the Registrar was wrong in *CGPA Opposition #1* to distinguish *Kirkbi* as involving a trademark which consisted of "*solely* technical and functional characteristics". The Opponent argues that the Registrar should have instead considered the question of whether the trademark was "*primarily* functional", as was done in *Player's Company Inc v Rothmans, Benson & Hedges Inc*, 2018 TMOB 145 at paras 30-40 ("*Player's Company*"), a case involving distinguishing guise applications related to a cigarette package.

[49] The precise expression of the prohibited level of functionality in a trademark varies in the jurisprudence between "purely" functional and "primarily" functional [see, for example, the discussion in *Kirkbi* at paras 3, 9, 10, 41, 46, 48, 49, 51 and 60]. However, as noted by the Federal Court in *Crocs Canada Inc v Holey Soles Holdings Ltd*, 2008 FC 188, 64 CPR (4th) 467 at para 19 (*Crocs Canada*), regardless of how the test is expressed, the underlying policy of the doctrine of functionality is the prevention of a party obtaining of a monopoly by means of a trademark in circumstances where a patent either cannot be granted or has expired.

[50] With the above in mind, I see no basis in the evidence or arguments made by the Opponent in this case to depart from the finding of the Registrar in *CGPA Opposition #1*. There is no doubt that certain aspects of the Mark have a function; for example, the inhaler device is designed to be held in a hand with a cover that opens and closes. However, the mere presence of *some* functionality is not the standard which precludes trademark protection [see *Crocs Canada* at paras 17 to 20]. Indeed, many distinguishing guises will have some degree of functionality given that such protection relates to the shaping of goods or their containers or a mode of wrapping or packaging

goods. In the present case, for the same reasons expressed by the Registrar in paras 60-61 of *CGPA Opposition #1*, cited above, I am not satisfied that the Mark violates the doctrine of functionality. Further, I am not satisfied that the Registrar's analysis in *Player's Company* is inconsistent with or calls into question the correctness of the Registrar's decision in *CGPA Opposition #1*.

[51] For the above reasons, I reject the Opponent's argument that the Mark is unregistrable by virtue of the doctrine of functionality. I therefore reject this basis for the Opponent's grounds of opposition under sections sections 2, 12(1)(b), 12(2), 13, and 30(i).

[52] I also note that to the extent the Opponent maintains any further basis for its section 12(1)(b) ground of opposition, I reject that ground for the same reasons set out in paragraphs 69-70 of *CGPA Opposition #1*.

Issue 2: Is the trademark distinctive of the Applicant?

The Law

[53] The alleged lack of distinctiveness of the Mark forms a basis for the Opponent's grounds of opposition under sections 2 and 13(1)(a) of the Act. The relevant portions of sections 2 and 13(1)(a) of the Act (as they then were) read as follows:

> **2. […]** ***distinguishing guise*** means
>
> (a) a shaping of goods or their containers, or
>
> (b) a mode of wrapping or packaging goods
>
> the appearance of which is used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others;
>
> ***distinctive***, in relation to a trade-mark, means a trade-mark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or is adapted so to distinguish them;
>
> **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; […]

[54] The material date for considering the section 2 ground is the filing date of the statement of opposition (i.e. December 23, 2016) [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317 (FC)]. The material date for the section 13(1)(a) ground is the filing date of the application (i.e. May 15, 2013). Nothing in the distinctiveness analysis in this case turns on the difference between those two material dates.

[55] The Applicant in its written representations characterizes distinctiveness as the "key issue" in this case, as it is the issue on which it was unsuccessful in *CGPA Opposition #1*, and for which the Applicant asserts that a change in the law and new evidence warrant its success in this proceeding.

[56] The issue of distinctiveness in the context of pharmaceuticals has been considered in great detail in prior decisions of this Board, the Federal Court, the Federal Court of Appeal and the Supreme Court of Canada [see, for example, *CGPA Opposition #1*; *Apotex Inc v Canada (Registrar of Trade Marks)*, 2010 FC 291, 81 CPR (4th) 459 (*Apotex*), aff'd 2010 FCA 313, 91 CPR (4th) 320; *Pfizer Products Inc v Canadian Generic Pharmaceutical Assoc*, 2015 FC 493, 133 CPR (4th) 159 (*Pfizer*); *Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120 (SCC) (*Ciba-Geigy*)].

[57] I will not canvass the entirety of that jurisprudence here, but suffice to say that with respect to distinctiveness, the question to be addressed in this case is whether the relevant constituency of consumers would, to any significant degree, recognize the Mark by its appearance (excluding labels and packaging) and associate it with a single source [see *Apotex* at para 5; *Pfizer* at para 97]. While this fundamental test for distinctiveness is the same regardless of the product or industry concerned, there are some specific considerations that come into play in the context of pharmaceuticals given the highly regulated nature of that market. This was summarized in *CGPA Opposition #1* as follows:

> 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] 3 S.C.R. 120 (S.C.C.) at para. 110]. The Federal Court elaborated on this at paragraph 5 of *Apotex Inc. v. Canada (Registrar of Trade Marks)* (2010), 81 C.P.R. (4th) 459 (F.C.); aff'd (2010), 91 C.P.R. (4th) 320 (F.C.A.):
>
> > 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.

[58] The Applicant's position is that the Federal Court's decision in *Pfizer* represents a change or evolution in the law since *CGPA Opposition #1*. In this regard, the Applicant's position is summarized at paragraph 7 of its written representations:

> Finally, there is newfound clarity and flexibility in the jurisprudence with respect to distinctiveness. At the time of the first proceeding, the jurisprudence contained some ambiguity as to what was required to establish the distinctiveness of pharmaceutical products. Two years later, the Federal Court clarified in *Pfizer Products Inc. v Canadian Generic Pharmaceutical Association* that an Applicant does not need to show that doctors and pharmacists and patients associate a mark with one source. Rather, the test is whether on a balance of probabilities the Applicant can demonstrate that these consumers associate the DISKUS Inhaler with a single source of manufacture to a significant degree. *Pfizer* also clarified that no requirement exists to establish that physicians use shape to make prescription decisions or that pharmacists use shape to make dispensing decisions – the test is whether consumers associate the shape with one source.

[59] Regardless of whether *Pfizer* represented a change or clarification of the law, I accept the Applicant's position that in accordance with *Pfizer* the test for distinctiveness in the pharmaceutical space is not a conjunctive test in which an applicant is obliged to demonstrate distinctiveness among *each* of the three relevant categories of consumers (i.e. doctors *and* pharmacists *and* patients). Instead, the constituency of relevant

consumers, which is comprised of the three aforementioned categories, must be assessed as a whole. This suggests that an applicant could potentially succeed in demonstrating distinctiveness of a trademark even if it fell short of the threshold for distinctiveness in one of the three categories. However, it remains clear that each of the three categories of consumers must still be considered [see *Ciba Geigy*]. Further, in my view, it does not logically follow from *Pfizer* that an applicant necessarily succeeds simply by demonstrating distinctiveness among, for example, two of the three categories of consumers. If an applicant is able to meet the threshold for distinctiveness in a certain category (or categories) but not in another, in my view, the question of the *degree* to which it succeeds or fails to do so is a relevant consideration when assessing the level of distinctiveness among the constituency as a whole.

Application of the law to the facts

[60] In *CGPA Opposition #1*, the Registrar found that the Opponent had met its initial evidential burden on the issue of distinctiveness by way of affidavit evidence from a physician and pharmacist that was essentially identical to that which the Opponent filed in this case. For example, at paragraph 58 of the McIvor Affidavit filed in this case, Dr. McIvor states that "[i]n my experience (in 2013, 2016 and today), the mere shape of an inhaler does not serve to identify the manufacturer for any patients." In this respect, the circumstances in this case are the same as in *CGPA Opposition #1*, and I similarly find that the Opponent has met its initial evidential burden in this case on the issue of distinctiveness. Thus, the legal burden is on the Applicant to demonstrate that its trademark was distinctive as of the material dates.

[61] In *CGPA Opposition #1*, in finding that the Applicant had not satisfied its legal burden of demonstrating that the Mark was distinctive, the Registrar noted: "despite its legal onus, the Applicant has provided no evidence from any one in the three key categories of doctors, pharmacists and patients." In contrast, in the present case, the Applicant has submitted survey evidence to seek to demonstrate the perception of doctors, pharmacists and patients. This survey evidence was not filed in *CGPA Opposition #1*.

[62] According to the survey results set out in the Sowers Affidavit, 53.2% of Canadian physicians and 62.6% of Canadian pharmacists associate the design and appearance of the DONUT DEVICE with one particular company and specifically identified Glaxo or a Glaxo branded inhaler. Mr. Sowers explains that he is not aware of any specific Canadian law that provides guidance as to the levels of association necessary for establishing acquired distinctiveness. However, it is his understanding, based on J. Thomas McCarthy, an authority on U.S. case law, that these results are well above the levels that have been held by U.S. courts to be probative of acquired distinctiveness. Mr. Sowers therefore concludes that based on the results of the survey, it is his opinion that the shape of the Applicant's DONUT DEVICE prescription inhaler is distinctive of the Applicant in Canada among physicians and pharmacists.

[63] Notably, Mr. Sowers does not draw the same conclusion regarding Canadian patients. Mr. Sowers states that the survey demonstrates that 11.7% of Canadian patients associate the design and appearance of the DONUT DEVICE with one particular company and specifically identified Glaxo or a Glaxo branded inhaler. He provides no opinion as to whether that figure is sufficient to demonstrate distinctiveness among Canadian patients. Mr. Sowers similarly provides no opinion as to whether the results of the survey are sufficient to demonstrate distinctiveness among the relevant constituency of consumers as a whole.

[64] As noted above, the Opponent has raised numerous arguments as to why the Sowers survey is invalid and should be disregarded, and filed a responding affidavit (the Deal Affidavit) in support of that position. I am going to leave aside for the time being the Opponent's detailed critique of the of the Sowers survey, because even if I were to take the results of the Sowers survey at face value, in my view, they do not satisfy the Applicant's legal burden to demonstrate distinctiveness of the Mark among the relevant constituency as a whole on a balance of the probabilities.

[65] I will begin with the doctor and pharmacist categories. There appears to be no factual dispute between the parties that from 1998 until the material dates, the Applicant was the only party in Canada selling an inhaler having the appearance of the Mark.

There also appears to be no dispute that the Applicant sold these inhalers in large quantities, and that they were prescribed and dispensed in large quantities during that time. In these circumstances, it strikes me as unremarkable and not especially persuasive that the survey results indicate that a significant proportion of Canadian doctors and pharmacists are able to identify the Mark as being from the Applicant. Doctors and pharmacists are highly trained individuals whose business it is to be aware of what they are prescribing/dispensing. While the survey results among doctors and pharmacists are certainly relevant, I do not consider them sufficient in this case for the Applicant to meet its legal burden of demonstrating distinctiveness among the relevant constituency of consumers as a whole. Similarly, I do not consider the answers provided by Dr. McIvor and Mr. Ahmad on cross-examination (to the effect that currently the only inhaler on the market having the shape of the Mark is from the Glaxo) to be persuasive on the question of whether the shape of the Mark has trademark significance [see McIvor Cross at p 5 (9-15), 6 (8-25) and 9 (22-25); Ahmad Cross at p 6 (6) – 7 (5) and 9 (22) – 10 (5) and p 13 (7-25)]. As noted by the Federal Court in *Apotex* at para 38, the existence of a monopoly does not in and of itself imply that the appearance of a product has acquired secondary meaning [see also *Canadian Generic Pharmaceutical Association v Boehringer Ingelheim Pharma GmbH & Co KG,* 2017 TMOB 47, 146 CPR (4th) 427 (TMOB) (*Boehringer)* at paras 151-152].

[66] I therefore turn to the survey results among Canadian patients in order to complete the consideration of the relevant constituency as a whole. There are two factors here which in my view weigh strongly against the Applicant's position. First, the degree of recognition among patients is significantly lower than among doctors and pharmacists. I have not been provided with any jurisprudence or argument by the Applicant to suggest that 11.7% recognition would be sufficient (or close to sufficient) to make a finding of distinctiveness within the patient category, and Mr. Sowers is notably silent on that point. When I inquired of the Applicant during the hearing whether it was relying on any particular jurisprudence (Canadian or otherwise) to set a threshold for demonstrating distinctiveness in any of the three categories, I was told that it was not. As an aside, I note that the *McCarthy* text (referred to in the Sowers Affidavit and included in the Applicant's written answers to undertakings) discusses U.S. cases in

which figures of 25% and 10% were found to be insufficient proof of secondary meaning, whereas other cases involving figures of $46%, 48% and 37% were found to be sufficient. I mention the *McCarthy* text solely because it appears to be a basis for Mr. Sowers' opinions; however, that text does not discuss any jurisprudence which is binding in Canada, nor has the Applicant sought to specifically rely on any of the cases referred to in that text.

[67] Particularly with the patient category, I think it is relevant to note that in the marketplace the Applicant's inhaler always displays other forms of branding such as word marks, both on the device itself and its packaging, and the evidence does not suggest that the Applicant has educated patients regarding the shape of the device as an indicator of source [for a similar analysis, see *Boehringer*, *supra*, at paras 147-148]. The degree of recognition among the patient category seen in the Sowers Affidavit is in my view consistent with that circumstance.

[68] Second, while I must consider all three categories of consumers (doctors, pharmacists and patients) without any one category necessarily being dispositive, I agree with the Opponent that it is important to recognize that patients in this case are by far the largest of the three categories in number, given that each doctor/pharmacist will prescribe/dispense inhaled medications to multiple patients. For example, paragraphs 19 to 24 of the McIvor Affidavit describe the hundreds of patients that Dr. McIvor sees in a given year, approximately 80% of which are people with obstructive lung disorders such as asthma and COPD which are being treated with inhalers. Dr. McIvor states that in both 2013 and 2016, he wrote approximately 30 prescriptions per week for various inhalers. Similarly, the evidence of the pharmacist Mr. Ahmad is that his pharmacy dispenses inhalers approximately 30 times per week, with him personally dispensing approximately 60-70% of that volume [see para 17 of the Ahmad Affidavit and Ahmad Cross at p 21 (5) – p (3)].

[69] The relevance of this size differential among the three categories to assessing distinctiveness among the constituency as a whole is illustrated in the following exchange from the cross-examination of Mr. Sowers:

352. Q. But if you wanted to know overall what the understanding was of the groups, that would be one way of dealing with it, would be to add them together?

A. No, I don't think so because they are separate – no, I don't think that would be appropriate because you're giving as much weight to pharmacists and physicians which are a smaller group proportionally of the population to patients. It would skew the results in a very unrepresentative fashion.

353. Q. I take it if you wanted to look at consumers overall based on the numbers that you have, that would be one way of doing it?

A. If I were to look at consumers overall?

354. Q. Yes.

A. If my assignment was to do it as just consumers as a group, I would have designed the survey differently and again I think the proportions of those populations would be different based on my screening criteria.

355. Q. What you're saying then is the survey doesn't really provide the answer to the consumers as a group because it wasn't design that way?

A. Because physicians and pharmacists are different types of consumers, the screening is different, as is the screening for patients. My survey was meant to test it among physicians, among pharmacists, among patients. I think if you wanted to do that calculation, you would have to – you mentioned before about weighting. You would have to weight the data within proportion to the size of the consumer population.

356. Q. Perhaps you could answer the question and that is the way you did your survey, it was not designed to provide an answer with respect to the overall group of consumers?

A. No. I looked at them individually.

[70] Taking the above into account, I am not satisfied that the Applicant has met its legal burden to demonstrate that the Mark is distinctive by either of the material dates. While I do not consider a lack of distinctiveness in the patient category to necessarily be dispositive *per se*, on the facts of the present case I do not consider the Applicant to have demonstrated distinctiveness on a balance of probabilities among the relevant constituency of consumers as a whole, given the particularly low degree of recognition among the patient category which is the largest of the three categories.

[71] In view of the above, since the Applicant has not met its legal burden to demonstrate that the Mark is distinctive as of the material date for either the section 2 or section 13(1)(a) grounds of opposition, the Opponent succeeds with respect to those two grounds of opposition.

Remaining Grounds of Opposition

Section 30(a)

[72] With this ground of opposition, the Opponent asserts that the goods in the application are not described in ordinary commercial terms in accordance with section 30(a) of the Act. I do not consider the Opponent to have met its initial evidential burden for this ground. The pharmaceutical preparations in the application are described in detail with reference to the types of diseases that are treated, and the description of "inhalers" is consistent with that seen in the evidence of both parties. This ground of opposition is accordingly rejected.

Section 30(b)

[73] The Opponent has pleaded that the Mark has not been used with the applied-for goods since at least as early as May 1998 for a variety of reasons, including that the inhaler device bears additional conventional trademarks and is transferred to customers enclosed in a box. This ground of opposition appears to be identical to that raised in *CGPA Opposition #1* and I reject it for the same reasons set out in paragraphs 62 to 66 of that decision.

Section 30(i)

[74] With this ground of opposition, the Opponent alleges, *inter alia*, that the Applicant has acted in bad faith by filing the present application, given that it was unsuccessful in *CGPA Opposition #1* and did not appeal that decision. While it has been held that bad faith can constitute a valid ground of opposition under section 30(i) [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB); *FremantleMedia North America Inc v Wright Alternative Advertising Inc* (2009), 77 CPR (4th) 311 (TMOB)], I note that section 30(i) is concerned with the question of whether an applicant was

satisfied of its entitlement to *use* a given mark, rather than its entitlement to register [see *CGPA Opposition #1* at para 67]. I do not consider there to be any question in this case as to the Applicant's entitlement use the Mark. The section 30(i) ground of opposition is therefore rejected.

THE '792 APPLICATION

[75] With the '792 Application, the applied-for goods, grounds of opposition, material dates, issues and evidence are the same as those discussed above with respect to the '790 Application. Consequently, for the same reasons discussed above with respect to the '790 Application, the Opponent's grounds of opposition under sections 2 and 13(1)(a) are also successful against the '792 Application.

[76] In addition, I note that with respect to the '792 Application, I consider the Sowers survey to be of less value, given that the test stimulus used in the survey was the inhaler device in the closed position rather than the open position as depicted in the '792 Application. That is to say, even if I had found the Sowers survey to be persuasive evidence of distinctiveness in respect of the Mark which is the subject of the '790 Application, I do not think it would be possible for me to infer from those results that the Applicant had also demonstrated distinctiveness in respect of the distinguishing guise which is the subject of the '792 Application, given the different features of the two distinguishing guises. This constitutes a further reason why the Applicant has not met its burden on the issue of distinctiveness with respect to the '792 Application.

[77] The remaining grounds of opposition against the '792 Application are rejected based on the same analysis as set out above in respect of the '790 Application.

DISPOSITION

[78] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the applications pursuant to section 38(12) of the Act.

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Timothy Stevenson
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2022-08-18

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