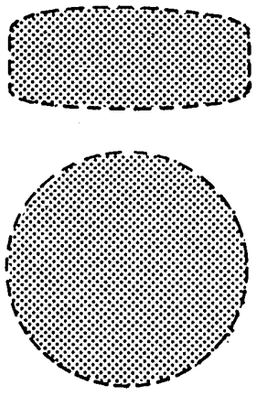
IN THE MATTER OF AN OPPOSITION
by Novopharm Ltd. to application No. 783,267
for the trade-mark Tablet Design filed by
Astra Aktiebolag

On May 23, 1995, the applicant, Astra Aktiebolag, filed an application to register the trade-mark Tablet Design (illustrated below) based on use in Canada since March of 1994 with "pharmaceutical preparations, namely felodipine." The applied for trade-mark is described in the application as follows:

> The trade-mark is shown in the attached drawing and consists of the colour yellow applied to the whole of the visible surface of the tablet, as also shown in the specimen tablets filed with the application. The tablet itself shown in dotted outline does not form part of the trade-mark.

The application was advertised for opposition purposes on December 6, 1995.



The opponent, Novopharm Ltd., filed a statement of opposition on February 6, 1996, a copy of which was forwarded to the applicant on March 7, 1996. The first ground of opposition is that the applicant's application does not conform to the requirements of Section 30 of the Trade-marks Act because the applicant did not intend to use the color yellow to distinguish its wares from those of others. The second ground is that the applicant's application does not conform to the requirements of Section 30(i) of the Act because the applicant could not have been satisfied that it was the person entitled to use the applied for trade-mark in Canada. The opponent alleges that the applied for mark is not a trade-mark because (1) it is functional, (2) it is indicative of dosage and (3) it is confusing with similar marks previously used by others. The third ground is that the applicant's application does not

conform to the requirements of Section 30(h) of the Act because it does not contain an accurate representation of the applicant's mark.

The fourth ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(b) of the Act because "....the Applicant's yellow tablet is descriptive of the pharmaceutical preparation in association with which it is used." The fifth ground is that the applicant is not the person entitled to registration pursuant to Section 16(1)(a) of the Act because, as of the applicant's claimed date of first use, the applied for trade-mark was confusing with "....trademarks namely, white tablets" previously used in Canada by others. The sixth ground is that the applied for trade-mark is not distinctive in view of the use by various other traders of yellow tablets including 21 specific tablets detailed in the statement of opposition.

The applicant filed and served a counter statement. The opponent's evidence consists of the affidavits of Roger Daher, Luigi Longo, Sabrina Kwan and Alexandra Scott and a certified copy of the Trade-marks Office file for the present application. The applicant's evidence consists of the affidavit of Stephen Wilton. All of the affiants were cross-examined on their affidavits and the transcripts of those cross-examinations form part of the record of this proceeding. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

<u>The Opponent's Evidence</u>

In their affidavits, Messrs. Daher and Longo identify themselves as pharmacists and state that they are familiar with the drug felodipine which is sold in Canada in the form of a yellow, bi-convex tablet under the trade-mark PLENDIL by the applicant and under the trade-mark RENEDIL by Hoechst-Roussel Canada Inc. They both state that felodipine is used for the management of hypertension and they both list 21 yellow tablets of parties other than the applicant which are available in Canada for the treatment of hypertension.

Both affiants state their opinion that patients associate the appearance of tablets they are prescribed with the condition the tablets treat and are rarely concerned with the manufacturer or source of the tablets. On cross-examination, however, both affiants admitted that they had taken no surveys of their customers to see if they recognize the color and shape of tablets as indicia of origin. On the other hand, Mr. Daher did state that there have been instances where a customer has received a different shaped tablet for the same medication he has been taking. Mr. Daher noted that such a customer doesn't say "I get the other brand." Rather, he is more likely to say "I get the other medication" (see page 40 of the Daher transcript).

On cross-examination, both Messrs. Daher and Longo confirmed that the applicant's PLENDIL tablet which bears the applied for trade-mark is not normally dispensed in the usual fashion - i.e. - by taking tablets from a jar and placing them in a vial for the customer. Rather, PLENDIL is manufactured in blister packs which are sold in a box bearing the trade-mark PLENDIL and the name Astra. Typically, customers do not see the contents of the PLENDIL box when they purchase it from a pharmacist.

Both Messrs. Daher and Longo admit that they identify tablets that they commonly dispense by their color and shape and can generally identify the manufacturer that way. However, both affiants state that color and shape are not the sole elements they use to check that they have identified the right medication. They also identify a tablet or drug by its Drug Identification Number (DIN), its placement on the pharmacy shelf, its manufacturer and its markings (see, for example, pages 65-66 of the Longo affidavit).

The Kwan affidavit serves to introduce into evidence the results of Ms. Kwan's search of a CD-ROM version of the 1995 edition of <u>The Compendium of Pharmaceuticals and Specialties</u> ("CPS") which contains descriptions and illustrations of medications available in Canada. She located 22 yellow tablets from different manufacturers for the treatment of hypertension.

In her affidavit, Ms. Scott states that she searched the IMSworld Product Launches data base respecting the 22 tablets located by Ms. Kwan. The search results reveal the date of introduction in Canada of each of those products except the applicant's. Appended as Exhibit 4 to her affidavit are samples of both the PLENDIL tablet and the RENEDIL tablet.

The cross-examination of Ms. Scott on her affidavit revealed a number of deficiencies in her search. Given that she knew little about the data base she was searching and given that she admitted that at least some of the introduction dates she provided were incorrect, I have given reduced weight to her search results. At best, they serve to confirm the availability in Canada of some of the third party, yellow, anti-hypertensive tablets relied on by the opponent in its statement of opposition.

<u>The Applicant's Evidence</u>

In his affidavit, Mr. Wilton identifies himself as the Manager, Business Planning, of Astra Pharma Inc. which he states is a wholly owned subsidiary and licensee of the applicant. Exhibit A to the Wilton affidavit is a copy of the license which covers, among others, the applied for trade-mark and the trade-mark PLENDIL. Mr. Wilton states that the applicant has direct control over the character and quality of the PLENDIL product sold by Astra Pharma Inc. in Canada. He further states that all the tablets sold in Canada by Astra Pharma Inc. are manufactured by the applicant.

Mr. Wilton provides sales figures for PLENDIL tablets having a 2.5 mg. dose of felodipine. Sales in Canada for the period 1994 to 1996 were about $850,000 with roughly half of those sales occurring prior to the filing of the present opposition. Mr. Wilton states that the appearance of the 2.5 mg. tablet has been marketed to physicians and pharmacists directly and to patients indirectly through the use of product brochures and monographs. Typically, those publications feature and emphasize the trade-mark PLENDIL. They also usually include a picture of a 2.5 mg. yellow tablet with the notation "TM" near it although the picture is a less prominent feature of the publication. Representations of a 5 mg. pink felodipine tablet and a 10 mg. brown felodipine tablet invariably appear next to the yellow tablet. The first

brochure included as part of Exhibit D to the Wilton affidavit has the following notation immediately underneath the pictures of the three different tablets:

Three dosage strengths allow for individualized treatment.

On cross-examination, Mr. Wilton described the distribution of his company's product brochures to physicians and other health professionals. He also confirmed that the CPS is an authoritative source for the drugs available in Canada. In paragraph nine of his affidavit, he states that the CPS is circulated to almost all physicians and pharmacists in Canada.

Mr. Wilton stated on cross-examination that he was aware that at least a few of the third party tablets relied on by the opponent are yellow in color. He admitted that most yellow tablets he couldn't remember clearly as being yellow.

On cross-examination, Mr. Wilton was questioned about the RENEDIL product sold by Hoechst-Roussel Canada Inc. He stated that the applicant had licensed Hoechst Marion Roussel Inc. to sell felodipine in Canada and to use the applied for trade-mark. Apart from markings, the PLENDIL tablets sold by the applicant and the RENEDIL tablets sold by Hoechst appear to be identical. In paragraph five of his affidavit, Mr. Wilton states that any felodipine tablets sold in Canada by Hoechst have been manufactured by the applicant.

<u>The Grounds of Opposition</u>

The first ground appears to be based on an assertion of non-conformance with the requirements of Section 30(e) of the Act and is therefore not a proper ground of opposition. The present application is based on use in Canada rather than proposed use and thus the provisions of Section 30(e) do not apply. The first ground is therefore unsuccessful.

The second ground of opposition has two aspects. The second aspect is that the applicant could not have been satisfied that it was entitled to use the applied for mark because it was confusing with certain third party marks. That aspect does not raise a proper ground

of opposition of non-conformance with Section 30(i) of the Act since the opponent did not allege that the applicant was aware that its mark was confusing with marks of others.

The first aspect of the second ground is that the applicant could not have been satisfied that it is the person entitled to use the applied for mark because it is functional and indicative of dosage and is therefore not a trade-mark. However, the color yellow applied to the visible surface of a tablet can function as a trade-mark: see Smith Kline & French Ltd. v. Registrar of Trade Marks [1987] 2 F.C. 633 (F.C.T.D.). Thus, the second ground is unsuccessful.

As for the third ground of opposition, Section 30(h) reads as follows:

> 30. An applicant for the registration of a trade-mark shall file with the Registrar an application containing.....
>
> > (h) unless the application is for the registration only of a word or words not depicted in a special form, a drawing of the trade-mark and such number of accurate representations of the trade-mark as may be prescribed....
>
> 30. Quiconque sollicite l'enregistrement d'une marque de commerce produit au bureau du registraire une demande renfermant.....
>
> > h) sauf si la demande ne vise que l'enregistrement d'un mot ou de mots non décrits en une forme spéciale, un dessin de la marque de commerce, ainsi que le nombre, qui peut être prescrit, de représentations exactes de cette marque....

The applicant did file a drawing of its applied for mark and, in view of the initial portion of the description of the mark appearing in the application, it is apparent that the drawing depicts the mark for which the applicant seeks registration. Thus, it would appear that the applicant has complied with Section 30(h) and the third ground is therefore unsuccessful.

The opponent submitted that the drawing does not comply with Section 30(h) because the applicant effectively eliminated any shape restriction for its mark by including the statement that the tablet shown in dotted outline does not form part of the mark. The opponent contended that such a statement means that the applicant is claiming the color yellow 'per se' as its trade-mark apart from the tablet itself.

Although the statement referred to by the opponent is, in my view, somewhat ambiguous and confusing, the initial portion of the description of the trade-mark in the

application clearly limits the mark to the whole of the visible surface of the tablet. The statement referred to by the opponent appears to be simply an indication that the applicant is not claiming the tablet as its trade-mark but only the shape of the tablet as it defines the limits of the claim to the color yellow. In fact, at pages 11-12 of the recent unreported decision of the Federal Court in Novopharm Limited v. Bayer Inc. (Court No. T-289-97; October 28, 1999), Mr. Justice Evans agrees with that interpretation. Thus, the opponent's contention that the applied for trade-mark is for the color yellow 'per se' is incorrect.

The opponent also contended that the application does not comply with Section 30(h) of the Act because the drawings differ from the tablets as actually sold which include certain product markings. However, those markings are minor in nature and the public would, as a matter of first impression, perceive use of the actual tablet as also being use of the tablet's yellow shape alone: see the opposition decision in Nightingale Interloc Ltd. v. Prodesign Ltd. (1984), 2 C.P.R.(3d) 535 at 538 and page 269 of the opposition decision in Novopharm Ltd. v. Burroughs Wellcome Inc. (1994), 58 C.P.R.(3d) 513 (F.C.T.D.); affg. (1993), 52 C.P.R.(3d) 263 at 273 (T.M.O.B.). The use of other trade-marks on the applicant's tablet does not preclude registration of the trade-mark claimed in this application: see Ciba-Geigy Canada Ltd. v. Apotex Inc. (1992), 44 C.P.R.(3d) 289 at 304 (S.C.C.).

For the first time at the oral hearing, the opponent's agent raised an additional aspect to the third ground, namely that the drawing was inaccurate since it was not lined for the color yellow. The applicant's agent submitted that such an allegation was not included in the statement of opposition and that the opponent is therefore precluded from relying on it in support of a ground of non-conformance with Section 30(h) of the Act. I agree, particularly where such an allegation is only asserted at the final stage of the proceeding.

Even if the opponent had included the additional allegation in its statement of opposition, it would not have rendered the third ground successful. As submitted by the applicant's agent, the shading on the applicant's drawings does not represent a particular color as defined by the various patterns set out in Rule 28 of the Trade-marks Regulations. More importantly, the Registrar did not require the applicant to file a drawing lined for color

and the applicant did not state in its description of its trade-mark that the drawing is lined for color. These circumstances distinguish the present case from the Bayer case where the drawing was lined for color and misrepresented the trade-mark because it was lined for the wrong color.

The fourth ground does not raise a proper ground of opposition pursuant to Section 38(3)(a) of the Act. The opponent has failed to set forth any allegations of fact in support of its ground that the applied for trade-mark is not registrable pursuant to Section 12(1)(b) of the Act. Thus, the fourth ground is also unsuccessful.

As for the fifth ground of opposition, the opponent has relied on prior use of 21 different yellow tablets. Nineteen of those tablets were allegedly used by parties other than the opponent and thus the opponent is precluded from relying on them in support of a ground of prior entitlement pursuant to Section 16(1) of the Act in view of the provisions of Section 17(1). As for the remaining two tablets which are sold by the opponent, the opponent has failed to clearly evidence its use of those tablets as trade-marks in Canada prior to the applicant's claimed date of first use as required by Section 16(1) and non-abandonment of those marks as of the applicant's advertisement date as required by Section 16(5). Thus, the fifth ground is also unsuccessful.

As for the sixth ground of opposition, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - February 6, 1996): see Re 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) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness.

A useful discussion of the issue of distinctiveness appears in Mr. Justice Evans' reasons in the Bayer case previously noted. That case involved an appeal from a decision of the Opposition Board ((1996), 76 CP.R.(3d) 560) rejecting an opposition to the registration of a color as applied to the visible surface of a pharmaceutical tablet. Additional evidence was submitted on appeal and, in allowing the appeal, Mr. Justice Evans made the following comments:

> Third, while I accept that the colour, shape and size of a product may together be capable in law of constituting a trade-mark, the resulting mark is, as a general rule, likely to be weak. (page 27, para. 77)
>
> Consumers may well identify the appearance of a pharmaceutical product with its therapeutic purposes, rather than with a single manufacturer, even when, in fact, the product is not interchangeable with any other. (page 36, para. 99)
>
> From all this evidence it could be inferred, one pharmacist agreed in the course of cross-examination on his affidavit, that many patients would associate their pink round angina pills with the brand name ADALAT, or the sole manufacturer, especially since a substantial percentage of patients are chronic consumers of the tablets. However, this same evidence might be regarded as supporting exactly the opposite inference. That is, the prominence of the name ADALAT on the packaging would tend to cause patients to identify their medication by the brand name, or that of the manufacturer, rather than by the colour, shape and size of the tablets themselves. Thus, if satisfied with the therapeutic effect of ADALAT, they would be able to ask for it by its brand name or that of the manufacturer. (page 40, paras. 111 and 112)
>
> Accordingly, an applicant seeking to register as a trade-mark the colour and shape of a prescription pharmaceutical product must adduce evidence that clearly establishes on the balance of probabilities that a significant number of consumers associate the appearance of that product with a single source. (page 47, para. 132)

In the present case, the opponent's evidence establishes that there are at least some other yellow tablets used for the treatment of hypertension that are available in the marketplace. Although there is little direct evidence of sales of these third party products, I consider that Mr. Wilton's acceptance of the CPS as a widely distributed authoritative source regarding the availability of various drugs in Canada, his recognition of at least a few third party yellow tablets for the treatment of hypertension, the recognition of such tablets by Messrs. Daher and Longo and, to a lesser extent, Ms. Scott's evidence as to the dates of introduction into Canada of many such tablets satisfies the opponent's evidential burden. As with state of the register evidence, the existence of a fairly large number of yellow tablets for

treating hypertension in the CPS allows me, in the present case, to conclude that at least some of those tablets have been actively marketed in Canada. The evidence therefore suggests that the applicant's trade-mark is not capable of distinguishing its anti-hypertensive drug from those of others.

The applicant contends that the relevant market respecting the issue of distinctiveness in this case is not all anti-hypertensive tablets but only anti-hypertensive tablets that contain the active ingredient felodipine. I disagree. The applicant has defined the relevant market too narrowly. In the Bayer case, notwithstanding Bayer's status as the exclusive supplier of nifedipine, Mr. Justice Evans considered the availability of many other pink tablets for the treatment of the same condition tended to negate Bayer's claim that its pink tablet was distinctive (see pages 38-39 of the unreported reasons). See also the opposition decision in Novopharm Ltd. v. Searle Canada Inc. (1995), 60 C.P.R.(3d) 400 at 404.

The issue then remains as to whether or not the applicant's evidence is sufficient to establish that its mark does, in fact, distinguish its wares from those of others. In my view, it is not. Sales of the 2.5 mg. yellow PLENDIL tablet have not been significant. More importantly, those sales have not done much to educate the public as to the trade-mark status of the tablet's yellow color. Given the inherent weakness of such a mark, it was incumbent on the applicant to clearly show that many consumers recognize it as a mark and not just as an ornamental or functional element of the product.

Even high levels of sales do little to advance an applicant's case in such a situation unless there are significant efforts to educate physicians, pharmacists and patients as to the trade-mark status of the tablet's color. In the present case, such activities do not normally take place at the time of sale or transfer of the applicant's goods. Typically, all anyone sees at the time of sale is a box bearing the trade-mark PLENDIL and the name Astra. The yellow tablets are not visible and there is no representation of the yellow tablet on the box.

The applicant contends that it has educated the relevant public as to the trade-mark status of its mark through its brochures and product monographs which often include a

representation of the yellow tablet and an indication of trade-mark status. However, the indication of trade-mark status is not highlighted and may not come to the reader's attention. Also of note is the fact that the yellow tablet is often pictured next to the pink and brown felodipine tablets which gives the impression that the applicant's use and adoption of the color yellow was not for trade-mark purposes but rather for the functional purpose of differentiating different dosage strengths of the same medication. The applicant has explicitly underscored that functional purpose in at least one of its brochures.

The applicant's own use of three different colors for felodipine tablets suggests that one color (i.e. - yellow) may not even serve to distinguish between different felodipine tablets of the applicant's manufacture. The applicant's advertising materials show that one has to look to other elements of the tablets such as markings and size to distinguish one from another.

As in the Bayer case and the Searle Canada case, the evidence here establishes that other pharmaceutical manufacturers sell drugs in a form similar to the applicant's tablet for the treatment of the same or similar medical conditions for which the applicant's drug is prescribed. Furthermore, the applicant's evidence is far from sufficient to show that the relevant public has been educated as to the trade-mark status of the applied for mark. Thus, the sixth ground of opposition is successful.

In support of the sixth ground of opposition, the opponent also submitted that the applicant's trade-mark cannot distinguish the applicant's wares because the applicant has (or had) the exclusive right to produce the specific drug felodipine. In this regard, the opponent relied on the decisions in Canadian Shredded Wheat Co. Ltd. v. Kellogg Co. of Canada [1938] 1 All E.R. 618 (P.C.) and Thomas & Betts Ltd. v. Panduit Corp. (1997), 74 C.P.R.(3d) 185 (F.C.T.D.). However, the opponent failed to plead a ground of non-distinctiveness based on such a submission.

Even if the opponent had pleaded such a ground, it would have been unsuccessful. In the Canadian Shredded Wheat case, the Judicial Committee of the Privy Council held that the plaintiff's trade-mark SHREDDED WHEAT was descriptive and the name of the product.

The product was a cereal biscuit of a particular shape which was the subject of a patent. The plaintiff also alleged passing off based on the shape of its product. The Judicial Committee of the Privy Council dismissed the passing off action on the basis that there was only one shape available for the product based on the teachings of the patent. There was also no evidence that any consumers had been deceived. Similar reasoning was applied in the Thomas & Betts case.

In the present case, whatever monopoly the applicant may have is for the drug felodipine and not for the shape of the tablet. The evidence does not show that the tablet's round, bi-convex shape was dictated by the teachings of any patent or any functional requirements. It would appear that the applicant's tablet could have been produced in any number of shapes.

On the other hand, the exclusivity granted to the applicant to make and sell felodipine does not mean that its right to exclude others automatically led to any associated trade-marks becoming distinctive. As stated by Mr. Justice Evans at page 31 of the Bayer decision:

> The fact that Bayer was the only manufacturer of nifedipine in Canada at that time is not in itself sufficient to establish that, because of their appearance, the tablets would thereby be associated with a single source. Nor does the fact that Bayer chose the colour dusty rose purely for marketing reasons, rather than for reasons connected with the function of the product, necessarily mean that it operated as a trade-mark when applied to the round, extended-release nifedipine tablets.

The opponent also challenged the distinctiveness of the applicant's trade-mark on the basis of the applicant's November 14, 1995 license agreement with its Canadian subsidiary Astra Pharma Inc. (Exhibit A to the Wilton affidavit) and its November 24, 1997 license agreement with Hoechst Marion Roussel Inc. (Exhibit 2 to the Wilton cross-examination). Both of those license agreements purport to confirm the existence of earlier license agreements between the parties. (In the case of the Hoechst license, the earlier license agreement being confirmed predates the executed document by more than ten years.)

The opponent contended that the ambiguities and deficiencies in the more recent license agreements render them ineffective for the purposes of Section 50(1) of the Act at least insofar

as they purport to confirm the existence of earlier licenses. The opponent further contended that it was incumbent on the applicant to resolve those ambiguities and rectify those deficiencies by evidencing particulars of the earlier agreements and by evidencing the exercise of its control of the licensees' use of the applied for mark. The opponent also asserted that Mr. Wilton's refusal to produce any other license agreements between the applicant and Hoechst respecting the appearance of felodipine tablets (see page 46 of the Wilton transcript) should result in a negative inference being drawn.

While there is some merit in the opponent's arguments and although agreements that purport to be confirmatory in nature bear closer scrutiny particularly when executed after the commencement of proceedings, the license agreements in the present case appear, on their face, to be effective as confirmatory documents. Furthermore, the Wilton affidavit suggests that the applicant exercises control of the character and quality of felodipine sold under the applied for trade-mark by both licensees. In particular, all felodipine tablets sold in Canada have been manufactured by the applicant. It was therefore incumbent on the opponent to pursue the matter of control in its cross-examination of Mr. Wilton if it felt that no such control was exercised. More importantly, the opponent did not raise the issue of improper licensing in its statement of opposition under its ground of non-distinctiveness. Therefore, I am precluded from considering such an unpleaded ground: see Imperial Developments Ltd. v. Imperial Oil Ltd. (1984), 79 C.P.R.(2d) 12 at 21 (F.C.T.D.).

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 9th DAY OF MARCH, 2000.

David J. Martin,
Member,
Trade Marks Opposition Board.