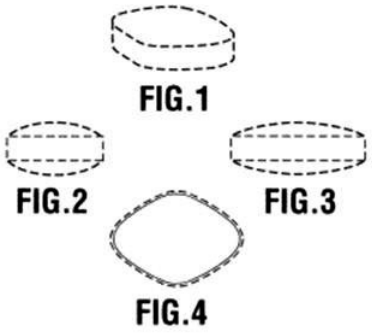
PFIZER PRODUCTS INC. v. CANADIAN GENERIC PHARMACEUTICAL ASSOCIATION, 2015 FC 493 (T-733-13)

On April 20, 2015, Justice Russell of the Federal Court of Canada released his decision in *Pfizer Products Inc. v. Canadian Generic Pharmaceutical Association*, 2015 FC 493.

This case was an appeal of the Canadian Trademark Opposition Board (TMOB) decision of January 23, 2013 (2013 TMOB 27) wherein the TMOB refused to register Pfizer's trademark application no. 1,244,118 for the trademark "the colour blue as applied to the whole of the visible surface of the tablet" shown in the below figures for use in association with the goods "a pharmaceutical preparation for the treatment of sexual dysfunction" (the "Mark") on the basis that the Mark was not distinctive as of the material date (March 6, 2006):



Federal Court Decision

The Federal Court dismissed the appeal (for the reasons set out below) finding that the evidence did not establish that the Mark was distinctive at the material date (March 6, 2006) among all three relevant groups (physicians, pharmacists and patients), stating at para 210 that: "the evidence before me suggests that the limited use which physicians, pharmacists and patients may make of the appearance of the Viagra pill for identification purposes is not enough to establish the distinctiveness required for a valid trademark."

Background

Pfizer Products Inc. ("Pfizer" or "Applicant") applied to register the trademark, VIAGRA TABLET DESIGN subsequently amended to MISCELLANEOUS THREE DIMENSIONAL DESIGN (see above figures), on January 19, 2005 (Application No. 1,244,118). The application was based on the Applicant's use of the trademark in Canada since at least as early as March 1999 in association with "a pharmaceutical preparation for the treatment of sexual dysfunction" (the "Goods"). The application was advertised for opposition purposes in the *Canadian Trade-marks Journal* of October 5, 2005. An erratum was published on May 17, 2006.

The Canadian Generic Pharmaceutical Association ("CGPA" or "Respondent") filed a statement of opposition to the application on March 6, 2006. The parties filed written submissions, and an oral hearing was held in May 2012. On January 23, 2013, the TMOB concluded that it was not satisfied, on a balance of probabilities, that the Mark was distinctive in accordance with s. 38(2)(d) of the *Trade-marks Act* (the "*Act*").

TMOB Decision

In coming to its decision, the TMOB applied the following 3-part test for distinctiveness:

1) that a mark and a product (good) be associated;
2) that the owner uses this association between the mark and its product and in manufacturing and selling its product; and,
3) that this association enables the owner of the mark to distinguish its product from that of others.

To be distinctive, consumers must relate or associate the trademark with the source of the goods. In the context of this case, the Board said that this 3-part test required that the Applicant show that physicians, pharmacists and patients recognize the Mark as a trademark and not just as an ornamental or functional element of the product.

In refusing the application for registration, the TMOB held that although Pfizer established that the Mark was distinctive among patients, Pfizer failed to establish, on a balance of probabilities, that the Mark was also distinctive among physicians and pharmacists as of the material date (March 6, 2006).

Federal Court Decision

The main issue before the Federal Court was whether Pfizer has to establish distinctiveness within all three groups (physicians, pharmacists and patients) or whether distinctiveness within one or two groups (physicians, pharmacists or patients) is sufficient. Once that issue was determined, the Court also considered how extensive the association between the mark and a single source must be.

In general, the parties agreed on the 3-part test for distinctiveness applied by the Board; however, the parties disagreed on the application of this test.

Pfizer's position is that the Board erred:
(a) in its application of the test for distinctiveness by requiring that distinctiveness be established among all three groups – physicians, pharmacists and patients. Pfizer's position was that the test for distinctiveness is met if it can demonstrate, on a balance of probabilities and at the material date (March 6, 2006), an association between the Mark and a single source of manufacture in the minds of either physicians, pharmacists or patients; accordingly, establishing distinctiveness among patients is sufficient; and

(b) in its application of a heightened test to the effect that when considering physicians and pharmacists, the Applicant was required to demonstrate that the appearance of the blue, diamond-shaped pill was the "primary characteristic" used by these groups in their prescription and dispensing practices. Pfizer's position is that this association is the same for all trademarks and there is no heightened test just because the Mark happens to be the appearance of a pharmaceutical.

The CGPA's position is that the test for distinctiveness requires the Applicant to demonstrate that the Mark was understood by physicians, pharmacists and patients (i.e., all three groups) to identify that the pill came from a single source of manufacture and that physicians, pharmacists and patients relied upon this appearance and its source connection when they prescribed, dispensed or requested the pill.

In his review and analysis, Justice Russell relied heavily on the analysis and decision of Justice Barnes in *Apotex Inc. v. Registrar of Trade-Marks*, 2010 FC 291. Justice Barnes' decision in *Apotex* reads, in relevant part, as follows:

> [5] I accept GSK's position that the GSK Mark is presumed to be valid and that the Applicants bear the burden of showing otherwise on a balance of probabilities as of the date of this application (December 21, 2007). A valid trade-mark is one which actually distinguishes the owner's wares

> from those produced by others. 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), 2014 CanLII 51651 (QC CES), [2000] 2 F.C. 553 at para. 70, 3 C.P.R. (4th) 305 (F.C.T.D.), affirmed (2000), 2000 CanLII 16510 (FCA), 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.* (1993), 1992 CanLII 33 (SCC), [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 on December 21, 2007 **all of these consumers** would, to any significant degree, recognize the GSK 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. (**Emphasis added**).

Justice Russell maintained that, in the present case, in dealing with the appearance of a pharmaceutical as a trademark, as a matter of first impression, it is still necessary to show that there is sufficient evidence to establish, on a balance of probabilities, that appearance is recognized as an indicator of source. [para 72]

In Justice Russell's review of the decision of Justice Barnes in *Apotex Inc. v. Registrar of Trade-Marks* (above), Justice Russell found that Justice Barnes considered the evidence for distinctiveness in all three groups (physicians, pharmacists and patients) and concluded that the evidence did not support a finding of distinctiveness within any of the three noted group. However, despite Justice Barnes' clear inclusive language that "For the purposes of this case, the issue is whether on December 21, 2007 **all of these consumers** would, to any significant degree, recognize the GSK Mark by its appearance (excluding labels and packaging) and associate that get-up with a single source", Justice Russell was unclear whether Justice Barnes examined all three groups in order to decide whether distinctiveness was proven in any one of the three groups, or whether Justice Barnes required distinctiveness in all three groups.

Whether distinctiveness must be found amongst all three groups (i.e., physicians, pharmacists and patients) or only one of the three groups (i.e., physicians, pharmacists or patients) was particularly relevant in this appeal given that the Board found that distinctiveness had been established for patients but not for physicians and pharmacists. [paras 77-78].

In considering whether the test for distinctiveness in the present case is disjunctive ("physicians, pharmacists or patients"), or conjunctive (physicians, pharmacists and patients), Justice Russell reviewed the legal principles set out by Justice Evans in *Novopharm Ltd. v. Bayer Inc.* (1999), 3 C.P.R. (4th) 305 (FC); aff'd (2000), 9 CPR (4th) 304 (FCA) for guidance. Specifically, Evans J. stated in *Novopharm Ltd. v. Bayer Inc.* the following:

> [72] First, the burden of establishing the distinctiveness of a mark rests on the applicant, both in the opposition proceeding before the Registrar and on an appeal to this Court. Thus, Bayer must establish on a balance of probabilities that in 1992, when Novopharm filed its opposition to the application, ordinary consumers associated dusty rose, round extended-release tablets of the size of the 10 mg ADALAT tablet, with Bayer, or a single source of manufacture or supply: *Standard Coil Products(Canada) Ltd.v.. Standard Radio Corporation*, [1971] F.C. 106 at 123 (FCTD), aff'd. [1976] 2 F.C. iv (FCA).
>
> [73] Second, the "ordinary consumers" to be considered for this purpose include not only physicians and pharmacists, but also the "ultimate consumers", that is the patients for

whom ADALAT tablets are prescribed and to whom they are supplied, even though their only access to nifedipine is through a physician's prescription: *Ciba-Geigy Canada Ltd.v. Apotex Limited*, 1992 CanLII 33 (SCC), [1992] 3 S.C.R. 120. (Emphasis Added)

[77] 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: *Smith Kline & French Canada Ltd. v. Registrar of Trade-marks* (1987), 9 F.T.R. 129, 131 (F.C.T.D.).

[79] Fourth, it is not fatal to an application that consumers may also use means other than the mark for identifying the product with a single source. Thus, while pharmacists rely mainly on the brand name and other identifying indicia on the stock bottles and packaging containing the product, or the inscription on the tablets, which is not part of the mark, if there is evidence that to any significant degree they also recognized the product by its appearance (excluding the markings on the tablet because they are not part of the mark), this may be sufficient to establish the distinctiveness of the mark.

Justice Russell's interpretation of Justice Evans' summary of the legal principles set out in *Novopharm* (noted above) are as follows:

[80] The guidance I take from *Novopharm* for present purposes is as follows:

a) The Applicant was obliged to establish, on a balance of probabilities, that "ordinary consumers" associated its blue, diamond-shaped pill with Pfizer or a single source of manufacture or supply;
b) The "ordinary consumers" to be considered for this purpose include not only physicians and pharmacists, but also the patients for whom Viagra tablets are prescribed and to whom they are supplied;
c) While colour, shape and size of a product may together be capable in law of constituting a trademark, the resulting mark is, as a general rule, likely to be weak; and
d) Consumers may use other means to identify Viagra tablets with a single source so long as "there is evidence that to any significant degree they also recognized the product by its appearance (excluding the markings on the tablet…)." (Emphasis Added)

Notwithstanding that in *Novopharm* (cited above) Justice Evans of the Federal Court of Appeal clearly used conjunctive language and clearly stated at para 73 that: "the 'ordinary consumers' to be considered for this purpose include not only physicians and pharmacists, but also the 'ultimate consumers', that is the patients", and interpreted as such by Justice Russell, Justice Russell nevertheless was of the opinion that in Novopharm, Justice Evans' analysis suggests that distinctiveness needs to only be established for one of the three groups of the "ordinary consumers". Specifically, Justice Russell states:

[81] It is clear that, in *Novopharm*, Justice Evans did not say that distinctiveness must be established in each of the three groups. His example in paragraph 79 suggests that if the evidence shows that "to any significant degree" pharmacists "also recognized the product by its appearance (excluding the markings on the tablet because they are not part of the mark), this may be sufficient to establish the distinctiveness of the mark." Justice Evans does not say that distinctiveness cannot be established unless the mark is also distinctive for physicians and patients.

> [82] This suggests to me that, in addressing distinctiveness in the appearance of a pharmaceutical tablet, the Board or the Court must look at whether the evidence establishes recognition, to "any significant degree," among any group or groups of "ordinary consumers" of the Mark. Given the basic principle that whether a particular mark or guise is distinctive is a question of fact in each case, I do not see how that principle can be avoided by saying that it is insufficient if an applicant can establish a "significant degree" of distinctiveness by reference to one section of what Justice Barnes called the "relevant constituency of consumers" of the product. It is clear from the case law cited to me that in order to decide whether a significant degree of distinctiveness has been established, the whole constituency must be examined, but I see no clear indication in the cases that the words "and," or any other language, requires that distinctiveness must be established separately for each sub-group of that constituency.

Accordingly, Justice Russell concluded that distinctiveness needs to be established for only one of the three groups (i.e., physicians, pharmacists or patients) and in summary specifically states at para 97:

> [97] This helpful summary reiterates the principle that trademark law applies to the pharmaceutical industry the same as it does to all other industries. The Applicant must adduce sufficient evidence to establish that, on a balance of probabilities, consumers associate the Mark with a single source of manufacture to a significant degree. The consumers of Viagra include physicians, pharmacists, and patients. If the Applicant can demonstrate a significant degree of recognition among these consumers, the Applicant will have established that the Mark is distinctive. In my view, there is nothing in the case law to support the Board's finding and the Respondent's argument that the Applicant must establish distinctiveness amongst patients, physicians and pharmacists.

Relevant Consumers – Physicians, Pharmacist and Patients

The relevant constituency of consumers of the Goods associated with the Mark includes physicians, pharmacist, and patients.

Is the Mark Distinctive to Patients? No

The Board found that the Mark is distinctive among patients because patients were exposed to extensive advertising, and the reference to "little blue pill" by "at least some patients" suggests that the Mark has a reputation "with at least some consumers," and the use of "little blue pill" by "at least some patients" is a reference to the brand Viagra and not to erectile dysfunction medications generally. [para 100]

Justice Russell held that the Board made an error in law by failing to consider whether the Mark has become distinctive amongst patients "to any significant degree." The fact that "at least some patients" may have used the term "little blue pill" to refer to Viagra does not establish the distinctiveness of the appearance of the pill amongst patients, and if extensive advertising "may result in an increase to its distinctiveness", the degree of distinctiveness has not been established in this case. [para 101]

Justice Russell then concluded that the evidence did not establish that a *substantial body of patients* associate the appearance of the pharmaceutical product (blue, diamond-shaped unmarked pill) with a single source and therefore the Mark is not distinctive among patients. [para 173]

Is the Mark Distinctive to Physicians? No

The Board found that the Applicant did not clearly establish that a significant number of physicians relate the Mark

to a single source, whether in prescription practices or otherwise. [paras 174, 182]

Justice Russell found that an educated guess about source on the part of physicians was not enough to constitute distinctiveness. [para. 182]

Justice Russell found that Pfizer's new evidence from physicians would not have materially affected the Board's Decision, and concluded that Pfizer's new evidence does not establish, even on first impression, that physicians would, to any significant degree, connect the appearance of a pharmaceutical product (a blue, diamond-shaped pill), without markings and other indicia, with a single source. [para 186] Indeed, he noted that:

> "If Viagra tablets are always marked and have 'Pfizer' on them, then surely a blue, diamond-shaped tablet without such markings could not be a Pfizer pill and could not be associated with a single source." [para 180]

Is the Mark Distinctive to Pharmacists? No

The Board concluded that it was not satisfied that the evidence showed that pharmacists "primarily" rely on colour and shape in making dispensing decisions. The evidence led to a finding that pharmacists "primarily" use other means to distinguish the Goods. The Board concluded that it was not satisfied that the Mark was distinctive among pharmacists. [para 20]

Justice Russell held that the Board erred in law in requiring that colour and shape be the "primary characteristics" by which goods are distinguished. The Applicant in this case has to adduce sufficient evidence to establish that, notwithstanding other primary indicia of source, the appearance of the Viagra tablet is recognized to a significant degree as being distinctive of a single source. [paras 189-190]

Justice Russell states at para 197:

> It is not enough to say that pharmacists know what Viagra looks like. You have to prove that pharmacists connect the product's appearance (without the markings), to a significant degree, to a single source. It seems to me that, taken overall, this evidence confirms that if confronted with a blank, blue-diamond-shaped tablet, a pharmacist would not know what it was. In my view, if you do not know what it is, you cannot connect it with a single source.

Justice Russell concluded that the evidence did not establish that appearance on its own, without the markings and packaging, to any significant degree was used or recognized by pharmacists as an indication of source. [para 202]

This decision was not appealed by Pfizer.

Comments

This case reinforces the fact that the test for distinctiveness requires evidence that a substantial body of consumers associate the appearance of the pharmaceutical (without markings) with a single source.

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