Federal Court of Appeal | Cour d'appel fédérale

Date: 20101119

Docket: A-111-10

Citation: 2010 FCA 313

CORAM: **NADON J.A.**
SHARLOW J.A.
LAYDEN-STEVENSON J.A.

BETWEEN:

GLAXO GROUP LIMITED

Appellant

and

APOTEX INC., APOTEX FERMENTATION INC.,
CANGENE - CORPORATION, NOVOPHARM LIMITED,
PHARMASCIENCE INC., RANBAXY PHARMACEUTICALS CANADA INC.,
RATIOPHARM INC., SANDOZ CANADA INC., TARO PHARMACEUTICALS

Respondents

and

REGISTRAR OF TRADE-MARKS

Respondent

Heard at Ottawa, Ontario, on November 17, 2010.

Judgment delivered at Ottawa, Ontario, on November 19, 2010.

REASONS FOR JUDGMENT BY: LAYDEN-STEVENSON J.A.

CONCURRED IN BY: NADON J.A.
SHARLOW J.A.

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REASONS FOR JUDGMENT

LAYDEN-STEVENSON J.A.

[1] Glaxo Group Limited (Glaxo) appeals from the judgment of Justice Barnes of the Federal Court (the judge) in which he struck Canadian Trade-mark Registration No. 687,313 (the GSK Mark) from the Register of Trade-marks. The reasons for judgment are reported as 2010 FC 291, 81 C.P.R. (4th) 459.

[2] The GSK Mark concerned a two-tone purple colour combination applied to the surface of disk-shaped inhalers known as ADVAIR DISKUS. The judge concluded that the consumers of the inhalers – physicians, pharmacists and patients – did not associate the colour and shape with one source. More specifically, he found that patients generally associated the GSK Mark with a therapeutic use, not a source, and that no physician or pharmacist associated the GSK Mark and a single source.

[3] Glaxo argues that the judge erred by failing to hold the respondents to the proper burden of proof, by selecting the wrong test for distinctiveness and by improperly applying the test to the facts. Despite the articulate and capable submissions of Glaxo's counsel, I am of the view the appeal must be dismissed.

[4] It is not disputed that the judge turned his mind to the presumption of validity and acknowledged that the respondents bore the burden of showing otherwise on a balance of probabilities (reasons at para. 5). The judge concluded that the respondents met their burden and established that the GSK Mark is not distinctive (reasons at para. 43). While Glaxo is correct that the judge expressed doubt about the strength of its evidence, he did so in the context of a comparison between Glaxo's evidence and that of the respondents.

[5] Moreover, in *Emall.ca Inc.* (*c.o.b. Cheaptickets.ca*) *v. Cheap Tickets and Travel Inc.*, [2009] 2 F.C.R. 43, 68 C.P.R. (4th) 381 at para. 12 (C.A.), this Court held that the presumption of validity simply means that an application for expungement will succeed only if an examination of all of the evidence presented establishes that the trade-mark was not registrable at the relevant time. Glaxo

does not suggest that the judge did not examine all of the evidence before arriving at his determination. Consequently, its argument cannot succeed.

[6] I am also not persuaded that the judge applied the wrong test for distinctiveness. A trade-mark is actually distinctive if the evidence demonstrates that it distinguishes the product from others in the marketplace: *Astrazeneca AB v. Novopharm Ltd.*, 2003 FCA 57, 24 C.P.R. (4th) 326 at para.16. A critical factor is the message given to the public: *Philip Morris Inc. v. Imperial Tobacco Ltd*. (1985), 7 C.P.R. (3d) 254 (F.C.T.D.), aff'd (1987), 17 C.P.R. (3d) 289 (F.C.A.). Distinctiveness is to be determined from the point of view of an everyday user of the wares in question and the trade-mark must be considered in its entirety and as a matter of first impression: *Molson Breweries v. John Labatt Ltd*., [2000] 3 F.C. 145, 5 C.P.R. (4th) 180 at para. 83 (F.C.A.).

[7] Glaxo characterizes the judge's reference to the "use" consumers make of the GSK Mark as a flawed application of the distinctiveness test. I disagree with that interpretation of the judge's reasons. The judge neither devised nor applied a new test. Glaxo's suggestion to the contrary constitutes a misinterpretation of the manner in which the judge utilized the word "use". The judge's statement must be read in the context in which it was written, that is, examining the process of connecting a product to its source. To be distinctive, the relevant consumers must distinguish the source's product from the wares of others, based on the source's trade-mark. Taken in context, the judge's comments demonstrate that it is the act of relating a trade-mark to its source that establishes the requisite consumer "use". If one substitutes the word "associate" for the word "use" – which is equally consistent with the judge's reasoning – Glaxo's argument evaporates. Accordingly, this argument fails.

[8] The judge's application of the test to the facts turns on his appreciation and assessment of the evidence and his resulting factual determinations. The judge's reasons contain a detailed and comprehensive review and analysis of the evidence. Glaxo has not demonstrated any palpable and overriding error in this respect. Rather, it effectively seeks to reargue its case without pointing to any specific instance where the judge's appreciation or assessment of the evidence is palpably wrong. Absent palpable and overriding error, which has not been established, this argument must also fail.

[9] For these reasons, I would dismiss the appeal with costs.

"Carolyn Layden-Stevenson"
J.A.

"I agree
M. Nadon J.A."

"I agree
K.Sharlow J.A."

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-111-10
APPEAL FROM A JUDGMENT OF THE FEDERAL COURT DATED March 12, 2010. NO. T-2240-07	
STYLE OF CAUSE:	
PLACE OF HEARING:	Ottawa, Ontario
DATE OF HEARING:	November 17, 2010
REASONS FOR JUDGMENT BY:	LAYDEN-STEVENSON J.A.
CONCURRED IN BY:	NADON J.A. SHARLOW J.A.
DATED:	November 19, 2010

APPEARANCES:

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