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Docket: T-407-03

Citation: 2006 FC 889

Ottawa, Ontario, July 18, 2006

PRESENT: The Honourable Mr. Justice Harrington

BETWEEN:

RATIOPHARM INC.

Plaintiff

and

LABORATOIRES RIVA INC.

Defendant

REASONS FOR JUDGMENT AND JUDGMENT

[1] Until a few years ago, Ratiopharm was in the enviable position of having a part of the Canadian cough syrup market all to itself. Its product “CALMYLIN” was the only codeine based syrup which could be had without a doctor’s prescription. Then, in 2002, Laboratoires Riva came along with a similar codeine based product. There was nothing Ratiopharm could do about the competition. It has no patent on the formula for the syrup. However, it objected to the name Laboratoires Riva gave to its product: “DAMYLIN”.

[2] This is the trial of an action instituted by Ratiopharm in which it claims Laboratoires Riva infringed its registered Canadian trade-mark, passed its wares off as its own, and depreciated the value of the goodwill in the Calmylin trade-mark. More particularly, it invoked sections 7, 19, 20 and 22 of the *Trade-marks Act*.

[3] The evidence at trial was limited to issues of liability. It was agreed that quantum, be it in the form of damages or an equitable accounting of profits, would be left to another day. Finally, after evidence was closed, Ratiopharm's solicitors announced that they were no longer seeking judgment with respect to passing off or diminution of goodwill.

[4] Thus, it is not necessary to consider the nuances which arise depending upon which sections of the *Trade-Marks Act* are invoked. We are left with an infringement action under section 20 of the Act which provides "the right of the owner of a registered trade-mark to its exclusive use shall be deemed to be infringed by a person not entitled to its use under this Act who sells, distributes or advertises wares or services in association with a confusing trade-mark or trade-name..."

[5] The statutory basis of an action in the Federal Court for passing off is section 7 of the *Trade-marks Act*. Bad faith or misfeasance is a feature of passing off actions, but is not a necessary element of an infringement action. (R.T. Hughes, *Hughes on Trade Marks*, 2nd ed. (Markham: LexisNexis Canada Inc., 2005, at 981). Since the passing off portion of the action has not been pursued, it is not necessary to take into account the evidence Ratiopharm led from a former Laboratoires Riva salesperson. She testified that in selling to pharmacists she emphasized the

similarity of the two products and the two names. However, she did not testify that this sales tactic was dictated to her by the company.

[6] Nor is it necessary to deal with the physical appearance or “get-up” of the two products either in the context of passing off or trade-mark infringement. Each of the two products is sold in three sizes: 100 ml., 250 ml. and 350 ml. The bottles are identical, but no evidence was led to distinguish these bottles from any other standard bottle available in a pharmacy. Evidence was led as to the labelling. Calmylin had changed its labelling and was trying to suggest that Damylin had copied it. However, it turns out that the one and only Damylin label was on the market before the current Calmylin label, so that it cannot be said that Damylin was a copycat. In any event, in my opinion, the two labels are not confusing.

[7] Section 19 of the Act, which was also invoked in the statement of claim, is not relevant because it only applies to use by a defendant of the identical trade-mark (*Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (FCA)).

[8] The section of the Act to which this action is now limited, section 20, leads us to sections 2 and 6. The definition of trade-mark as truncated from section 2 in order to fit the facts of this case is “a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares... manufactured [or] sold... by him from those manufactured [or] sold... by others.” Likewise, Section 6(2) provides that “the use of a trade-mark creates confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead the inference that the wares...associated with those trade-marks are manufactured [or] sold by the same person whether

or not the wares...are of the same general class.” Section 6(5) then enumerates a non-exhaustive list of circumstances to which the Court shall have regard in determining whether the trade-marks are confusing. They will be considered in turn below.

ISSUES

[9] By the time the parties came to argue, there were two remaining issues:

- a. Does the plaintiff have standing to sue?
- b. Is Damylin likely to be confused with Calmylin within the meaning of Section 20 of the Act?

STANDING TO SUE

[10] Although Ratiopharm Inc., the plaintiff, a Canadian corporation, was once the registered holder of the Calmylin trade-mark, in September 2002, it sold it to a related corporation, Ratiopharm GmbH. Thus, the allegation in the statement of claim, which was filed in March 2003, that Ratiopharm Inc. was the owner of all right, title and interest in the Calmylin trade-mark is incorrect. However, the owner of a trade-mark may license its use to another who may, in its own name, institute an infringement action. It is no longer necessary for the purposes of this case to consider whether the same holds true in actions for passing off and diminution of goodwill.

[11] The two Ratiopharm corporations entered into a trade-mark license agreement on 12 April 2005. The preamble states that Ratiopharm GmbH, as licensor, had, as of 10 September 2002, granted the plaintiff, the exclusive right to use the Calmylin and other trade-marks within Canada. It bears mentioning that, according to data maintained by the Canadian Intellectual Property Office,

that is the same date that Ratiopharm Inc. transferred title to Ratiopharm GmbH. It would appear that no one bothered to paper an assignment back. Section 3.2 of the *Trade-mark Licence*

Agreement goes on to provide:

“The licensee shall, at its own expense and after prior permission of licensor have the right and the obligation to take any action under the law applicable in the territory to secure and preserve the licensor’s rights in and to Trade-marks in the Territory, including surveillance of the market. Licensee shall provide licensor fully informed [sic] of the progress of such proceedings or finding of infringing rights. Licensor shall provide necessary information and assistance to licensee in the event the licensee decides that proceedings should be commenced or defended. Licensor agrees if necessary to be joined as a party to any action taken by licensee to secure and preserve the licensor’s right in and to the Trade-marks in the territory. Any recovery shall belong exclusively to the licensee.”

[12] Laboratoires Riva takes the position that the plaintiff did not have Ratiopharm GmbH’s “prior permission” to take this action. However, I am satisfied that it did have that permission.

[13] The only witness on this point was Kent Denike, Ratiopharm Inc.’s Director of Patent, Regulatory and Legal Affairs. He only joined the company 26 August 2002, and was just peripherally aware of the transfer of the Calmylin trade-mark to Ratiopharm GmbH, and the assignment back. However, he was the one who first retained a law firm with respect to the Damylin matter. In October 2002, he then transferred the file to the current solicitors of record on Ratiopharm GmbH’s recommendation. As far as he is aware, there is no written instruction from Ratiopharm GmbH to institute suit. However, Ratiopharm GmbH receives monthly reports both from the plaintiff and from its solicitors; as well it approved the litigation budget. I am satisfied that the license requirements of Section 50 of the Act have been met and that the action has the same force and effect, and is as binding, as if instituted in the name of the registered trade-mark owner.

[14] Having so found, it is not necessary to consider whether Laboratoires Riva was precluded from raising this point in an infringement action (as opposed to a passing off or diminution of goodwill action) in the light of the issues mutually identified at the pre-trial conference and in light of the written admissions made prior to trial.

INFRINGEMENT/CONFUSION

[15] Turning now to the infringement action, the defendant's unregistered trade-mark Damylin is not identical to Calmylin. The issue under section 20 of the Act is whether it is confusing. Trade-marks are confusing in the circumstances set out, for the purposes of this case, in sections 6(2) and (5) of the Act.

[16] For the purposes of section 6(2), both trade-marks are currently used in the same geographical area, Quebec. Although Damylin is currently only marketed in Quebec, nothing prevents the defendant from marketing its product nationwide, as is the case with Calmylin. Not only are the wares of the same general class, they are of the identical class.

[17] Section 6(5) of the *Trade-Marks Act* requires the Court in reaching its determination to have regard for all the surrounding circumstances, including:

6.(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

6.(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;	a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;
(b) the length of time the trade-marks or trade-names have been in use;	b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;
(c) the nature of the wares, services or business;	c) le genre de marchandises, services ou entreprises;
(d) the nature of the trade; and	d) la nature du commerce;
(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.	e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

INHERENT DISTINCTIVENESS

[18] I am satisfied that neither trade-mark is inherently distinctive. Benoît Leblanc, a linguistics professor, called by the plaintiff, made the point that the suffix “YLIN” is fairly common in the pharmaceutical industry. He mentioned **Benelyn**, **Agrylin**, **Haemaloxylin** and, as a variant, **Nilyn**. Professor Claire Gélinas-Chebat, another linguistics professor, called as an expert by Laboratoires Riva, added “**Tussilyn**”. Since there is nothing distinctive in the suffix, both agree that one must focus on the roots “CALM” and “DAM”. Since we have to consider unilingual French speaking, unilingual English speaking, and bilingual customers, both experts considered “CALM” and “DAM” in English and in French. In both languages, “CALM” or “CALME” indicates a system of

repose and freedom from turmoil or agitation, “état d’une personne qui est ni agitée ni énervée, ni inquiète; impression de repos qui en résulte”. “CALM” is a good root in context as it suggests that after taking the medicine, one’s throat will be quiet and in a state of repose.

[19] “DAM”, on the other hand, has no pharmaceutical connotations. In English, it may indicate a barrier (barrage) or in French, “châtiment” (punishment or penalty). In both languages a “DAM” might also indicate a lady. One could conjure up other meanings such as a variant on Lady Macbeth’s “Out, damned spot!” (out damn cough), but I accept that “DAM” has no particular connotation in the context of this case.

EXTENT TO WHICH THEY ARE KNOWN

[20] Calmylin was registered as a trade-mark in 1984. The trade-mark data indicates that the name had actually been used in association with a cough syrup and expectorant since 1979.

[21] To add some flesh to these documents, Ratiopharm Inc. called Denis Langlois, the Director of Sales and Marketing of its Rougier Consumer Division. He has worked in the industry since 1982 but only joined TechniLab Inc., one of the companies which was amalgamated to form Ratiopharm, in 1997. Although his testimony as to events prior thereto was of a hearsay nature, it was backed up by company documentation which fell within his own scope of duty within the company, and was not challenged.

[22] He passed on information that a company by the name of Casgrain Charbonnel marketed a cough syrup under the name Calmyl. That company is said to have become insolvent. TechniLab

took the name over and added the “IN” at the end so as to compare it with Benelyn. His understanding is that this took place in the 1979 to 1981 timeframe.

[23] The sale of Calmylin with codeine, often called the “original” Calmylin, is restricted, as is Damylin. Neither is available “over-the-counter” or on the shelf of a drugstore or supermarket. The products must be kept “behind-the-counter” and are only available either on prescription or after consultation with a pharmacist. This is because codeine is a controlled substance from a Federal Food and Drug regulatory point of view as well as from a provincial point of view.

[24] The plaintiff sells the same cough syrup to pharmaceutical chains who market it under their own house brands. The “Life” brand of Shoppers Drug Mart was mentioned, as was London Drugs. It is not suggested that Damylin creates any confusion with respect to those sales.

[25] If it can be said that “behind-the-counter” sales represent a middle ground, then Ratiopharm’s predecessor TechniLab decided to put product in the two other markets for cough syrup, “over- the-counter” (or on-the-shelf) and “by prescription only”.

[26] In about 1992, TechniLab decided to go into the over-the-counter market. It marketed seven Calmylin products, none of which contained codeine, Calmylin No. 1, 2, 3, 4, pediatric, cough and flu, and expectorant. These over-the-counter products were featured in two television commercial campaigns and in point of purchase advertising. One campaign ran from November 1993 to February 1994 in French and English across the country. The record is incomplete with respect to

the other campaign, but it is thought to have taken place earlier. Versions of both advertisements were exhibited during trial.

[27] Come 1995 and 1996, another Calmylin product was introduced. This one also contained codeine, and thus was a behind-the-counter product. While both products contained codeine, the original Calmylin also contained diphenhydramine hydrochloride and ammonium chloride. The newer version, which was raspberry flavoured, contained codeine, pseudoephedrine hydrochloride, and guaifenesin. Both versions of Calmylin with codeine are still marketed.

[28] There is still a third Calmylin cough syrup currently on the market, Calmylin Ace. It is available by prescription only. It serves as a generic substitute for the brand name Robitussin AC.

[29] The Calmylin over-the-counter cough syrup products are no longer available. A corporate decision, which involved Mr. Langlois, was made after 1998, the year TechniLab and Rougier became corporately related. Rougier had a greater share of the over-the-counter cough syrup market with its brand "BALMINIL". It was decided to drop the over-the-counter Calmylin cough syrups in favour of Balminil. These products were discontinued around 2000, but since they have a four year shelf life some remnants may have still been on the market when Damylin was introduced in 2002.

[30] Until about the year 2000, when the Regulations changed, pharmaceutical companies used their own sales forces to visit pharmacies. They would often resort to various inducements. However, marketing tactics have now been restricted, with the only inducement being credit terms.

Sales are promoted at an annual show mart where the competing companies have kiosks at which their wares are exhibited.

[31] Sales records were produced with respect to the various Calmylin products. It is difficult to appreciate their significance in a vacuum, as no evidence was led as to what percentage of the overall cough syrup market these sales represented. Laboratoires Riva testified that in 2002, the only year in which it was on the market before this action was instituted, its sales were only \$50,000.

[32] Although I am satisfied that Calmylin was better known than Damylin, the evidence certainly does not lead to the conclusion that Calmylin was well known.

THE LENGTH OF TIME THE TRADE-MARKS HAVE BEEN IN USE

[33] I am satisfied that Calmylin has been in use since at least the early 1980s, and Damylin since 2002.

THE NATURE OF THE WARES, SERVICES OR BUSINESS

[34] As aforesaid, for all intents and purposes, the original Calmylin and Damylin are identical cough syrups.

THE NATURE OF THE TRADE

[35] The nature of the wares, business, and trade is identical. The product is the same and is only available in pharmacies on a doctor's prescription or following consultation with a pharmacist. In some circumstances, price may also be a factor that affects the likelihood of confusion. For

instance, one is highly unlikely to think that a watch sporting a variant of the mark “Cartier” or “Rolex” available for purchase from a street vendor for \$10 is manufactured by the real watchmaker. However, there is no direct or deductive evidence as to the price of Damylin and so price must be taken to be a neutral circumstance.

[36] Codeine is a controlled substance as per regulations under the *Food and Drugs Act* and the *Controlled Drugs and Substances Act*. In Quebec, the only province in which Calmylin and Damylin are currently in competition, the *Regulation Respecting the Terms and Conditions for the Sale of Medications*, R.P.Q.c.P-10, r.8.2, pursuant to the *Pharmacy Act*, R.S.Q., c. P-10, s. 37.1, stipulates that such substances must be kept in a location inaccessible to the public, i.e. behind-the-counter. Even though a prescription for either the original Calmylin or the raspberry Calmylin (as opposed to Calmylin Ace) or Damylin is not required, they may only be sold by a pharmacist who must open a file for the patient and, amongst other things, “make a pharmaceutical study of the file and communicate the appropriate information concerning the correct use of the medication.” Each product has its own Drug Identification Number printed on the label.

[37] As mentioned earlier, in addition, the original and raspberry Calmylins and Damylin may be prescribed by a medical doctor.

DEGREE OF RESEMBLANCE IN THE IDEAS SUGGESTED

[38] To repeat, Calmylin may suggest a state of repose. In context, Damylin suggests nothing.

DEGREE OF RESEMBLANCE IN APPEARANCE OR SOUND

[39] In my opinion, the key is the degree of resemblance between Calmylin and Damylin in appearance or sound having “regard to all the surrounding circumstances”. In this connection, the Court treats the opinions of the two linguistic professors, Drs. Leblanc and Gélinas-Chebat, with caution because the degree of resemblance between trade-marks in appearance, sounds or ideas suggested is but one of the circumstances which must be taken into account in determining if there is likelihood of confusion (*Pierre Fabre Médicament Dicamente v. SmithKline Beecham Corp.* 2004 FC 811, [2004] F.C.J. No. 999). Nevertheless, their evidence was helpful, particularly their differences in approach.

[40] Ratiopharm called Benoît Leblanc, a professor at Université du Québec à Trois-Rivières, who holds a doctorate in linguistics. His thesis was an analysis of trade-marks in the pharmaceutical field. He, together with doctors and pharmacists and others, is currently on a team at the Université du Québec à Montréal which analyzes trade-names and marks in the industry. Laboratoires Riva called Claire Gélinas-Chebat, a professor at Université du Québec à Montréal, who obtained her doctorate in phonetics. Together with her husband, who is a professor in marketing, and others, she has been involved in analyzing such matters as sales and consumer visibility of products. She is the “oralist” in the team, and has testified about the effect of advertising, and trade-mark matters, in both the Quebec Superior Court and this Court.

[41] Professor Leblanc’s studies over the years have led him to conclude that there is a reason behind 98% of the trade-mark and brand names in the pharmaceutical industry. There are some 25 indicators, such as the name of the manufacturer, the ingredients (often expressed in Greek or

Latin), the condition to be treated, the effect of the medicine, frequency of application, or even the name of a family member or friend. For example, the Canadian generic pharmaceutical company Apotex often uses the prefix “APO” to identify its products. Mention was also made of Sinutab (sinus and tablets), “One a Day” and Vicks (a family friend). Even after explanation, some were not as obvious to me, such as Advil.

[42] He deduced that Damylin was chosen to imitate Calmylin and to bring confusion to the marketplace, given the similarity in sound of “CALM” and “DAM”. There being no pharmaceutical reason to use the root “DAM” which is very similar to “CALM” both being short three-syllable words having the same one vowel, the only conclusion to draw is that the selection of “DAM” was a deliberate and successful attempt to create confusion.

[43] Professor Gélinas-Chebat had no need to contradict Professor Leblanc’s 98% thesis. However, she did add, and rightly so in my opinion, that many of the reasons for a particular trademark in the pharmaceutical industry are not readily apparent and require detailed analysis. Take Vicks, for example. She thought there was little risk of confusion because the consonants “C” and “D” are very different in sound and in appearance and because the consonant “L” which does not appear in Damylin should be pronounced, although the risk of indistinct speech was recognized.

[44] Both also engaged in the type of minute analysis which detracts from the first impressions of an average consumer. For instance, Professor Leblanc produced a chart showing the position of the mouth, teeth and tongue in making certain sounds. Although the sounds may be different, the visual appearance of the speaker is the same to the deaf lip reader. Professor Gélinas-Chebat nuanced

those remarks by pointing out that there may be subtle differences which a deaf lip reader would pick up, such as a flare of the nostrils and vibration of the vocal cords. Suffice it to say that a decision has to be reached on confusion long before one has to compare the flare of a nostril!

[45] As mentioned earlier in these proceedings, Laboratoires Riva's intentions are not relevant in an infringement action. One may intend to confuse, but not succeed; or one may in all innocence confuse. Dr. Guy Pridham, Laboratoires Riva's Vice-President, testified as to the circumstances surrounding the selection of Damylin as a brand name. The company decided in about 2000 or 2001 that there was room for a codeine-based cough syrup. They already had a cough syrup on the market, Trialyn, which contained the two other necessary ingredients. They chose the name in-house, without the advice of outside marketeers. They wanted something short and something similar to Trialyn. Calmylin was not mentioned in the examination-in-chief or the cross-examination!

OTHER SURROUNDING CIRCUMSTANCES

[46] Although mentioned under The Nature of the Trade, I consider the market in which the original Calmylin, Damylin and the other Calmylin products are, or were, marketed to be important, as well as the fact that these products have a four-year shelf life. The original Calmylin, the product I have called raspberry Calmylin, and Damylin are only available behind-the-counter after consultation with a pharmacist, or on a doctor's prescription. The over-the-counter Calmylin products may still have been available on some shelves when Damylin was introduced in 2002. Calmylin Ace is only available on a doctor's prescription.

[47] No evidence was led as to actual confusion, be it in the mind of a pharmacist, a medical doctor, or the ultimate user of cough syrup. No opinion evidence by way of surveys was led.

ANALYSIS

[48] Just recently, the Supreme Court of Canada handed down two companion decisions, which serve as a clear statement of the law. *Mattel Inc. v. 3894207 Canada Inc.* 2006 SCC 22, was an appeal arising from the Registrar's decision to accept a "Barbie's" trade-mark and related design in association with restaurant services. That registration had been opposed by Mattel Inc., the manufacturer of the Barbie doll which Mr. Justice Binnie termed "an iconic figure of pop culture." *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée* 2006 SCC 23, [2006] S.C.J. No. 22 (QL), was an infringement action on the basis that the use of the word "cliquot" in relation to women's clothing stores would lead to the inference that the clothing was manufactured or sold by the makers of Veuve Cliquot champagne.

[49] The facts of those two cases are distinguishable in that the wares and services offered by the two parties were in different trades and in that both pitted a famous trade-mark against one which was not widely known. If famous means a name well known to the Court, neither Calmylin nor Damylin are famous. We are not talking about such famous names as "Pink Panther" (*Pink Panther Beauty Corp. v. United Artists Corp.*, [1998] 3 F.C. 534) or "Coca Cola" (*Coca Cola Co. of Canada Ltd. v. Pepsi-cola Co. of Canada Ltd.* [1942] 2 D.L.R. 657 (JCPC)).

[50] Both *Mattel* and *Veuve Cliquot*, dealt at some length with the test to be applied in determining the risk of confusion. If one were to carefully examine the degree of resemblance

between Calmylin and Damylin in appearance or sound, one would readily distinguish them.

However, as stated by Mr. Justice Binnie at paragraph 20 of *Veuve Cliquot*:

¶ 20 The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the name *Cliquot* on the respondents' storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks. As stated by Pigeon J. in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.*, [1969] S.C.R. 192, at p. 202:

It is no doubt true that if one examines both marks carefully, he will readily distinguish them. However, this is not the basis on which one should decide whether there is any likelihood of confusion.

... the marks will not normally be seen side by side and [the Court must] guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it is a new or associated mark of the proprietor of the former mark.

(Citing in part *Halsbury's Laws of England*, 3rd ed., vol. 38, para. 989, at p. 590.)

[51] *Veuve Cliquot*, at para. 21, confirms that the list of circumstances set out in section 6(5) of the Act “is not exhaustive and different circumstances will be given different weight in a context-specific assessment, as discussed in *Mattel*”, where at paragraphs 56 and following Mr. Justice Binnie considered the qualities of the mythical consumer who is either likely or not likely to be confused. She is neither the “careful and diligent purchaser” nor a “moron in a hurry”. She is the ordinary hurried purchaser. Reliance was placed on the following decision of Mr. Justice Cattanach

in *Canadian Schenley Distilleries Ltd. v. Canada's Manitoba Distilleries Ltd.* (1975), 25 C.P.R.

(2d) 1 at page 5:

That does not mean a rash, careless or unobservant purchaser on the one hand, nor on the other does it mean a person of higher education, one possessed of expert qualifications. It is the probability of the average person endowed with average intelligence acting with ordinary caution being deceived that is the criterion and to measure that probability of confusion. The Registrar of Trade Marks or the Judge must assess the normal attitudes and reactions of such persons.

[52] The Supreme Court went on to note that the consumer does not approach every purchase with the same attention or lack of attention. More care will be taken when purchasing a more expensive item. “In the case of buying ordinary run-of-the-mill consumer wares and services, this mythical consumer, although of average intelligence, is generally running behind schedule and has more money to spend than time to pay a lot of attention to details.” The standard is not of a person who never notices anything, but rather of one who takes no more than “ordinary care to observe that which is staring them in the face” (*Coombe v. Mendit Ld* (1913), 30 R.P.C. 709). “However, as per *Pink Panther, supra*, in assessing the likelihood of confusion we owe the average consumer a certain amount of credit.” (*Mattel, supra*, paragraphs 57 and 58).

[53] As no evidence was led as to actual confusion, this leaves the Court with having to put itself in the shoes of this mythical consumer. There are three persons who have to be considered: the doctor, the pharmacist, and the consumer. In *Ciba-Geigy Canada Inc. v. Apotex Inc.*, [1992] 3 S.C.R. 120, the Supreme Court held that the final consumer of a prescription drug must be taken into account in determining whether the tort of passing off has been committed. Prior to then, it had

been widely thought that confusion on the part of the patient was not particularly relevant as she could not take the drug from a store shelf but was required to go through intermediaries, a doctor and a pharmacist. In this case, the consumer must go through either two intermediaries, a doctor and a pharmacist or only one, a pharmacist. The point is she has to go through an intermediary. Both Calmylin and Damylin are behind-the-counter products. The labels may be visible at a distance, or beneath the counter and not visible at all.

[54] Both doctors and pharmacists are professionals, who in the circumstances cannot be taken to be in such a hurry as to put the health of the consumer at risk.

[55] The doctor has to write out a prescription. Undoubtedly, there is a wide range of medicine available, in different formats. If syrup is to be prescribed, the doctor must be taken to know that there are three Calmylin syrups, all codeine based, but otherwise with different ingredients. A choice has to be made among the three. If not, what is the pharmacist to do other than to seek clarification?

[56] The pharmacist will be either filling out a prescription or conferring with the consumer. If the prescription is for Robitussin AC, and a substitution is permitted, the pharmacist knows professionally that, of the products in issue, only Calmylin Ace will suffice. Neither the original Calmylin, the raspberry-flavoured Calmylin, nor Damylin will do.

[57] If no doctor is involved, the pharmacist knows he may sell two types of Calmylin, but only one type of Damylin.

[58] As aforesaid, and limiting ourselves to the non-prescription, behind-the-counter product, before selling either of the two Calmylin products, or Damylin, a Quebec pharmacist must open a file and conduct a pharmacological study. Leaving aside codeine, the original Calmylin and Damylin contain diphenhydramine hydrochloride and ammonium chloride, while the other behind-the-counter Calmylin product, the raspberry flavoured one, contains pseudophedrine hydrochloride and gualifenesin. Only if the pharmacist opts for the former does a choice between the original Calmylin and Damylin become an issue.

[59] The doctor and the pharmacist are professionals and less likely to be in the same hurry as the purchaser of a mid-priced meal (Barbie) or dress (Cliquot). In *Ciba-Geigy Canada, supra*, Mr. Justice Gonthier approved the following remark of Viscount Maugham in *Saville Perfumerie Ltd. v. June Perfect Ltd.* (1941), 58 R.P.C. 147 (H.L.) at pp 175-6:

“It is, for example, quite a common occurrence ... to find that retail traders are not misled while ordinary customers are.”

[60] The average consumer, or customer has three choices: direct consultation with a doctor followed by consultation with a pharmacist, consultation with a pharmacist, or a direct purchase off the shelf. Many treatments for cough, cold and flu symptoms are available off-the-shelf or over-the-counter. There is no opportunity for confusion as Calmylin and Damylin are not available over the counter.

[61] The consumer may or may not accept the doctor's prescription, and the advice of a pharmacist, including with respect to a substitute, without analysis. On the other hand, I think it

quite possible that if she consults with a doctor or with a pharmacist, it is because she has bought an over-the-counter product which has not relieved her symptoms. With one failure she is less likely to be in a hurry the second time around. At the time this action was instituted, the chances are that she would have been more familiar with Calmylin, than Damylin, although I put no weight on the fact that Calmylin once had products on the over-the-counter market, and even two ad campaigns going back some 10 years as leaving an impression in her mind.

[62] I am of the opinion that on the balance of probabilities there is no likelihood of confusion between Calmylin and Damylin in the mind of the average consumer, even if hurried. Although one may imagine a scenario in which the consumer informs the doctor or pharmacist that she once had a cough syrup ending in “ylin” which was effective, her attention would have to be drawn to the distinction between non-prescription and prescription medicines, to Calmylin with its different versions, Damylin and Benilyn and perhaps others.

[63] In my opinion, Calmylin and Damylin do not look the same, and do not sound the same. In this regard, I prefer the evidence of Professor Gélinas-Chebat. She endeavoured to put herself in the shoes of those who saw or heard the words, while Professor Leblanc was more prone to put himself in the shoes of the manufacturer, with his observation that there is a reason behind 98% of drug names. Professor Leblanc’s evidence brings to mind the passage in Lewis Carroll’s “Through the Looking Glass” where, after telling the Gnat that she is rather afraid of insects, Alice adds:

“I don’t *rejoice* in insects at all,” Alice explained, “because I’m rather afraid of them – at least the large kinds. But I can tell you the names of some of them.”

“Of course they answer to their names?” the Gnat remarked carelessly.

“I never knew them to do it.”

“What’s the use of their having names,” the Gnat said, “if they won’t answer to them?”

“No use to *them*,” said Alice; “but it’s useful to the people who name them, I suppose. If not, why do things have names at all?”

“I can’t say” the Gnat replied.

The average consumer would have neither the knowledge nor inclination to engage in such an exercise of deductive reasoning.

[64] I prefer the evidence of Ms. Gélinas-Chebat that even taking into account a noisy background, there is little likelihood of confusion between the distinctive consonants “C” and “D”.

[65] Be it an infringement action or an application to the Registrar of Trade-marks to have a mark registered, the test with respect to confusion is the same. *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349, dealt with an opposition to the registration of Nutri-Vite for use in association with cereal and vegetable-derived food products to be used as breakfast food and snack food. The opponents relied on their registrations for Nutri-Max and Nutri-Fibre for health food products. Speaking for the Federal Court of Appeal, Mr. Justice Stone said at page 358:

The presence of a common element in trade marks has been held to have an important bearing on the issue of confusion for, as was stated by the Comptroller General in *Re Harrods Ltds. Appl'n*, *supra*, at p. 70:

Now it is a well recognized principle, that has to be taken into account in considering the possibility of confusion

arising between only two trade marks, that, where those two trade marks contain a common element which is also contained in a number of other trade marks in use in the same market, such a common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those other features.

He went on to add at page 360:

I think it may be inferred that consumers of these products are accustomed to making fine distinctions between the various NUTRI trade marks in the market-place, by paying more attention to any small differences between marks. I accept the appellant's contention that the respondent's marks are weak because they incorporated a word that is commonly used in the trade.

[66] I rely also on the decision of Mr. Justice Blair of the Ontario Court of Appeal in *Cochrane-Dunlop Hardware Ltd. v. Capital Diversified Industries Ltd.* (1976), 30 C.P.R. (2d) 176, where in discussing the inherent distinctiveness of trade-marks and the extent to which they have become known he said at page 182:

It is well established that a trade mark consisting of a striking inventive name or an original design is inherently distinctive and is considered a strong mark. As such, it is entitled to a wide scope of protection. This is especially so if it has become well known through usage. On the other hand, if a mark lacks these exceptional qualities in design or wording, it is inherently less distinctive and is considered a weaker mark. The ambit of protection afforded to a weak mark is much less than for a strong mark, and registration of other marks containing comparatively small differences may be permitted.

[67] For all these reasons, I conclude that the plaintiff has not made out a case that its trade-mark was infringed.

JUDGMENT

THIS COURT ORDERS that the action be and it is hereby dismissed with costs.

“Sean Harrington”

Judge

FEDERAL COURT

NAME OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: T-407-03

STYLE OF CAUSE: RATIOPHARM INC. v.
LABORATOIRES RIVA INC.

PLACE OF HEARING: Montreal, Quebec

DATE OF HEARING: June 19-22, 2006

**REASONS FOR JUDGMENT
AND JUDGMENT:** HARRINGTON J.

DATED: July 18, 2006

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