Intellectual Property Weekly Abstracts Bulletin — Week of January 18

January 20, 2016

Patented Medicines (Notice of Compliance) Decisions

Court grants prohibition order; finds allegations of obviousness, lack of utility and insufficiency not justified
Leo Pharma Inc. v Teva Canada Limited, 2015 FC 1237

In a decision issued on November 18, 2015, the Federal Court allowed the proceeding, granting Leo Pharma a prohibition order in relation to its patent for use in the treatment of psoriasis. The Court held that the allegations of invalidity due to obviousness, lack of utility and insufficiency were not justified. Given that it was undisputed that Teva's product would infringe claim 17 of the '565 Patent, the Court granted the order sought by Leo Pharma.

Trademark Decisions

Appeal dismissed; use of trademarks in metatags in this case found not to be copyright or trademark infringement
Red Label Vacations Inc. (Redtag.ca) v. 411 Travel Buys Limited (411 Travel Buys Limited), 2015 FCA 290

The Federal Court of Appeal (FCA) dismissed an appeal from a trial decision finding that there was no copyright in Appellant's metatags and therefore, no copyright infringement. The trial judge also found that the use of the Appellant's trademarks in the Defendant's metatags did not constitute trademark infringement, passing off or depreciation of goodwill (decision here; our summary here).

The FCA held that the issues raised by the Appellant were based in large part on findings of fact and that the trial judge had not made any palpable and overriding error in making these findings. With respect to trademark infringement, while the trial judge's finding that there was no use of the Appellant's trademarks was upheld, the FCA noted that "in some situations, inserting a registered trademark (or a trademark that is confusing with a registered trademark) in a metatag may constitute advertising of services that would give rise to a claim for infringement […]"

Dawson J.A. issued a set of concurring reasons, in which she concluded that "the decision of the Federal Court must be read in light of the facts before the Court. The extent to which a trademark may be used in metatags without infringing the trademark is, of necessity, fact specific."

Court of appeal applies *stare decisis* and expunges registration for OCEAN PARK under s. 12(1)(b) and ss. 18(1)(a) and (b)
Lum v. Dr. Coby Cragg Inc., 2015 FCA 293

By way of Summary Trial, the Federal Court (FC) refused to strike the Defendant's trademark OCEAN PARK from the register on the grounds that it was not registrable pursuant to s. 12(1)(b) and invalid pursuant to ss. 18(1)(a) and (b) of the Act. The FC held that the Plaintiffs had not met the two-part test applicable to determine whether the trademark is descriptive of the place of origin of the Defendant's services, pursuant to s. 12(1)(b). With respect to the Plaintiffs' second allegation of invalidity under s. 18(1)(b), the FC held that the Plaintiffs failed to adduce any evidence in order to establish that the trademark *prima facie* failed to distinguish the Defendant's services from the services of other dentist in Ocean Park (decision here).

On appeal, the Federal Court of Appeal (FCA) set aside the trial judgment and declared that the OCEAN PARK trademark was invalid and should be struck from the Register. The FCA agreed with the Appellants that the FC misunderstood the meaning of s. 12(1)(b) of the Act and made a palpable and overriding error when applying it.

The FCA had previously dealt with a very similar situation in *General Motors du Canada v Décarie Motors Inc*, [2001] 1 FC 665, where the plaintiff had sought expungement of the mark "Décarie" (a well-known boulevard in Montréal), on the basis of paragraphs 18(1)(a) and (b) of the Act. In *Décarie*, the FCA noted that it was reasonable to say that "prima facie the mark was unregistrable under paragraph 12(1)(b) of the Act due to its geographic descriptiveness ('place of origin')." While the mark could have been registrable if it had become distinctive at the date of filing of the application or when its validity was challenged, the inherent weakness of the mark, as well as its limited use as a stand-alone mark, ultimately established that it had not acquired a secondary meaning at any time. As in the *Décarie*, the trademark at issue in the present case was never used as a stand-alone mark. The Respondents were unable to distinguish *Décarie* and the FCA held that this precedent was "on all fours with the matter before us and must therefore be followed".

The FCA also found that the FC made a palpable and overriding error in assessing the validity of the trademark under paragraph 18(1)(b) of the Act. Referring once again to *Décarie*, the FCA concluded that in the present case, there was enough evidence before the FC to conclude that the trademark was not distinctive of the Respondent's services as of the date upon which the trademark's validity was challenged.

Fresh evidence submitted found to materially affect Registrar's decision for SAKURA and design
Kabushiki Kaisha Mitsukan Group Honsha v. Sakura-Nakaya Alimentos Ltda., 2016 FC 20

The Registrar had rejected the Applicant's opposition to the registration of the word SAKURA and design. With respect to the s. 16(3)(a) ground of opposition, the Registrar

found that the Applicant failed to prove that the alleged trademark SAKURA was used or made known in Canada by the Applicant or its distributor licensee prior to the material date. The Applicant was also unable to justify its allegation that mark SAKURA was not distinctive under s 2 of the Act.

On appeal to the Federal Court (FC), the Applicant did not dispute the Registrar's findings. Rather, the FC had to consider: (1) whether fresh evidence filed by the Applicant would have materially affected the Registrar's finding that a licensee's use of the SAKURA trademark did not accrue to the benefit of the Applicant; and if in the affirmative, (2) whether there was confusion between the parties' SAKURA trademarks.

The FC found that a verbal license agreement could be inferred from the new evidence. As a result, the Applicant established the use of the SAKURA trademark through a licensee in accordance with s. 50 of the Act. Having filled in gaps identified by the Registrar, the FC held that the new evidence would have materially affected the Registrar's determination with respect to s. 16(3)(a). The FC also concluded that the test for confusion favoured the Applicant, and accordingly, the appeal was allowed and the Registrar's decision was set aside. The FC did not need to consider the opposition ground under s 2 of the Act.

No reviewable errors found in refusing application for AMIRA and design
Amira Foods (India) Limited v. Entreprises Amira Inc., 2015 FC 1419

Amira Foods (India) Limited appealed a decision of the Trademarks Opposition Board ("TMOB") refusing to register the word AMIRA and design. The application was refused on two grounds: 1) for being contrary to subsection 30(e) of the *Trade-marks Act* where the Applicant had used the proposed mark in Canada prior to the filing date of the application, and 2) for being contrary to paragraph 12(1)(d) of the *Trade-marks Act* because the application is confusing with a registered trademark belonging to Les Entreprises Amira Inc., AMIRA.

The Federal Court upheld the refusal to register the mark.

It was determined that the new evidence filed on appeal would not have had a material effect on the TMOB decision. On a reasonableness standard, the Court determined that the TMOB did not make a reviewable error in refusing registration.

Supreme Court Leave Applications

Unjust enrichment claim in a section 8 proceeding remains struck
Apotex Inc. v. Eli Lilly and Company, and Eli Lilly Canada Inc. (SCC #36538)

The Supreme Court dismissed Apotex's leave to appeal from the Ontario Court of Appeal (2015 ONCA 305; aff'g 2013 ONSC 5937) in *Apotex Inc. v. Eli Lilly and Company and Eli Lilly Canada Inc*. (36538). We previously summarized the Ontario Court of Appeal decision during the week of May 18, 2015.

Appeal relating to patent and industrial design dismissed
1284897 Alberta Ltd. v. Zero Spill Systems (Int'l) Inc., et al. (SCC #36542)

The Supreme Court dismissed 1284897 Alberta Ltd.'s appeal from the judgment of the Federal Court of Appeal (2015 FCA 115).

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