

**REGISTERED TRADE-MARK CANADADRUGS.COM FOUND DECEPTIVELY  
MISDESCRIPTIVE**

Marcel Naud\*  
**LEGER ROBIC RICHARD, L.L.P.**  
Lawyers, Patent and Trademark Agents  
Centre CDP Capital  
1001 Square-Victoria- Bloc E – 8th Floor  
Montreal, Quebec, Canada H2Z 2B7  
Tel. (514) 987 6242 - Fax (514) 845 7874  
info@robic.com - www.robic.ca

***Candrug Health Solutions Inc. and Pharmawest Pharmacy Ltd v. Kris Thorkelson,***  
**2007 FC 411 (CanLii)**

In a judgment rendered on April 19, 2007, Justice Teitelbaum of the Federal Court of Canada found that the word marks CANADA DRUGS and CANADADRUGS.COM (the “Marks”) issued to the Canadian pharmacist Kris Thorkelson (the “Respondent”) were found not only “clearly descriptive” but also “deceptively misdescriptive” under s. 12(1)(b) of the Canadian *Trade-Marks Act*. These Marks were held invalid and their expungement from the Register was ordered given that the Respondent has not discharged himself from his onus to show that the Marks have acquired distinctiveness as of the date of filing of the applications.

On February 28, 2001, the respondent registered the domain name “CanadaDrugs.com”. On March 19, 2001, the Respondent started to use it in association with online operation of a drugstore. On March 23, 2001, the Respondent applied for the registration of the trade-mark CANADADRUGS.COM, and, on May 15, 2001, he applied for the registration of the trade-mark CANADA DRUGS, both based on proposed use. Two years later, on May 2, 2003, the Respondent filed a declaration of use of these Marks and, on May 20, 2003, the Registrar issued both registrations. This was done after the Registrar’s review of the arguments filed by the Respondent’s trade-mark agent on whether or not the Marks were clearly descriptive or deceptively misdescriptive. Registrations were issued with the right to the exclusive use of the words CANADA and DRUGS disclaimed apart from the Marks.

---

© CIPS, 2007.

\*Lawyer, Marcel Naud is a member of LEGER ROBIC RICHARD, L.L.P., a multidisciplinary firm of lawyers, and patent and trademark agents. Publication 293.045.

On November 21, 2002, Pharmawest Pharmacy Ltd (the "Applicant") registered the domain name "GetCanadianDrugs.com" and, since December 2002, used "GetCanadianDrugs.com" both as a trade name and as a design trade-mark incorporating the expression "GetCanadianDrugs.com". In February 2006, the Applicant received a letter from the Respondent requesting that the Applicant cease all use of the domain name "getcanadadrugs.com". In reply, the Applicant challenged the validity of the Respondent's Marks before the Court.

The evidence shows that:

- pharmaceuticals supplied by Respondent's business do not all originate from Canada;
- around 50% of the pharmacies that actually dispense and ship the pharmaceuticals are not located in Canada;
- less than 5% of the Respondent's customers are Canadian and 95% are American;
- The terms "Canada" and "drugs" are used by the press in describing pharmaceuticals from Canada, and not to refer specifically to the Respondent's business and services;
- the Canadian Trade-mark Register contains other registrations and pending applications for trade-marks incorporating the words "Canada" or "drugs" in combination;
- In 2005, there were 3,500,000 visits to the Respondent's website and over \$5,000,000 has been spent in promotion of the Respondent's Marks and business, the bulk of which targeted American consumers.

The Court rejected the arguments of the Respondent and found that the Marks were clearly descriptive since "as a matter of first impression and (...) common sense, the ordinary consumer would consider the descriptive character of the marks to go to the material composition of the services." The Court also added that "Canada" and "drugs" are "two generic terms that would be used by the ordinary consumer identified in this case to locate pharmacies in Canada on the Internet." This trademarking of words common to the trade was viewed by the Court as an undue disadvantage for legitimate competitors.

While the fact that the pharmaceuticals used to fill the prescriptions are not all manufactured in Canada may not be sufficient to find that the Marks are deceptively misdescriptive, the fact that the prescriptions are not always filled by a Canadian pharmacy was determinative in the Court's finding that the Marks were in fact deceptively misdescriptive. On that issue, the Court also emphasized the significance of the fact that "Canadian consumers would trust prescription fulfillment from a Canadian pharmacy more than that from other countries."

Even if the Marks were found clearly descriptive and deceptively misdescriptive, the Marks could have remained registrable had the Respondent been able to show that they had become distinctive of the Respondent's services at the date of filing the applications for registration. However, since the Respondent started the operation of its web site less than three months prior to the filing of the applications, the Court found that it was not sufficient for the Marks to acquire distinctiveness among Canadian consumers. Therefore, an order for the expungement of the Mark was issued.

**ROBIC** + LAW  
+ BUSINESS  
+ SCIENCE  
+ ART

