SPOTLIGHT

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Confusion in Canada: mythical consumers and hypothetical tests (Samsung Bioepis Co., Ltd. v Novartis AG, 2025 FCA 212)

https://decisions.fca-caf.ca/fca-caf/decisions/en/item/521742/index.do

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Summary:

Canada's Federal Court of Appeal has confirmed that assessing 'likelihood of confusion' under Canada's Trademarks Act in the context of pharmaceutical products and trade marks remains a hypothetical one and that all prospective consumers — doctors, pharmacists, and patients — are relevant persons, even if in practice, one consumer category may not encounter the mark 'as used'.

Article:

In Samsung Bioepis Co., Ltd. v Novartis AG, 2025 FCA 212, the Federal Court of Appeal dismissed both the appeal and cross-appeal of the Federal Court's decision in 2024 FC 52 that found use of trade mark BYOOVIZ infringed, depreciated the goodwill in, and passed off on Novartis' trade mark rights in BEOVU, and granted Novartis an injunction, delivery up, and CAN $20,000 in damages.

Both marks were used with injectable pharmaceuticals for wet age-related macular degeneration (wet AMD). The evidence showed that while doctors and pharmacists were exposed to the trade mark on packaging, patients rarely were: more typically, the drug would be mentioned by the doctor when administering the treatment.

The appeal centred on a foundational question in Canadian trade mark law: from whose perspective is 'likelihood of confusion' assessed? Or who is the 'relevant person'.

The Federal Court followed the Supreme Court of Canada's decision in Ciba-Geigy Canada Ltd. v Apotex Inc., which also involved pharmaceutical products, and determined the relevant consumers included physicians, pharmacists, and patients, and that if one of these groups were likely to be confused (here, patients), that was sufficient.

Samsung / Biogen argued, however, that the 'patient' category was irrelevant since patients' exposure to the drug name during treatment would not amount to trade mark 'use' by the owner within the meaning of the Trademark Act. They also argued that patients were irrelevant because they neither purchased nor chose the drug, and that the policy considerations in Ciba-Geigy (which made patients a relevant class of consumers) did not apply.

On Appeal, the Court dismissed all these arguments. They emphasized the hypothetical nature of the confusion test under the Act (set out in section 6), which asks 'if the use … would cause confusion' and considers 'all the surrounding circumstances'. Pointing to the Supreme Court of Canada's decisions in Mattel, Inc. v 3894207 Canada Inc., 2006 SCC 22 and Masterpiece Inc. v Alavida Lifestyles Inc., 2011 SCC 27, the Court reiterated that confusion is assessed from the perspective of a 'mythical consumer', and that there is thus no requirement for the consumer to encounter the mark as used by the trade mark owner (even if that proposition was once good law). Consequently here, while the fact that patients were exposed to the trade mark indirectly through their physicians (if at all) could be a surrounding circumstance to consider, it was not sufficient to outright exclude this category of consumers from the 'likelihood of confusion analysis'.

As to the role (or absence) of 'patient purchase' and 'patient choice', the Appeals Court found there was evidence to support the medication was purchased on the patient's behalf, and that the patient did have choice (even if limited), and so approached the Federal Court's determination on these points with deference.

Ultimately, the Appellate Court found no palpable and overriding error. Patients were properly treated as relevant consumers. The surrounding circumstances, including the similarities in pronouncing the mark, favoured likely confusion.

The decision underscores that Canadian trade mark confusion analysis remains a forward-looking, hypothetical inquiry - one that prioritizes consumer protection over rigid formalism about marketplace mechanics of 'use.'