

**IN THE MATTER OF AN OPPOSITION by  
International Flora Technologies, Ltd. to  
Application No. 1133006 for the Trade-mark  
FLORASPHERE filed by Sembiosys Genetics Inc**

**I The Pleadings**

On March 4, 2002 Sembiosys Genetics Inc. (the “Applicant”) filed an application, subsequently amended, to register the trade-mark FLORASPHERE (the “Mark”) in association with oil bodies extracted from a living organism for use as an ingredient in cosmetics, pharmaceutical and food products (the “Wares”), on the basis of proposed use in Canada. The application was advertised on July 16, 2003 in the Trade-marks Journal for opposition purposes.

International Flora Technologies, Ltd. (the “Opponent”) filed on September 16, 2003 a statement of opposition that was sent on October 28, 2003 by the Registrar to the Applicant. The Applicant responded on November 28, 2003 with a counter statement denying essentially the allegations contained in the statement of opposition.

The Opponent filed the affidavit of Mr. Robert Kleiman as its evidence while the Applicant filed no evidence. Only the Opponent filed written arguments and no oral hearing was requested.

**II The grounds of Opposition**

The Opponent raised the following grounds of opposition in its statement of opposition:

- 1) The Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the Wares in view of the provisions of s. 30 (i) of the Trade-marks Act, R.S.C. 1985, c. T 13 (the “Act”);
- 2) The Mark is not registrable within the meaning of s. 12(1)(d) of the Act as it is confusing with the Opponent’s registered trade-mark FLORABEADS, certificate of registration TMA463884;
- 3) The Applicant is not the person entitled to registration of the Mark within the meaning of s. 16(3) of the Act as at the date of filing of the application, the Mark was confusing with the

Opponent's trade-marks FLORABEADS and FLORASPHERES previously used in Canada by the Opponent;

- 4) The Mark is not distinctive within the meaning of s. 2 of the Act as it does not distinguish nor is it capable or apt of distinguishing the Wares from the wares of others and more particularly from the wares of the Opponent.

### **III Analysis of the Various Grounds of Opposition**

The legal onus is upon the Applicant to show that its application comply with the provisions of s. 30 of the Act; however the Opponent has initial evidential burden to establish the facts relied upon by it in support of its grounds of opposition. Thereafter the Applicant must prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark applied for. [See *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330; *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293, *Christian Dior, S.A. v. Dion Neckwear Ltd* (2002), 20 C.P.R. (4<sup>th</sup>) 155 and *Tradition Fine Foods Ltd v. Groupe Tradition'l Ltd.* 2006 F.C. 858]. The distinction between the legal burden and evidentiary burden has been described in the following terms by Hearing Officer Mr. A. Troicuk in *Maple Leaf Gardens, Ltd. v. 215491 Holdings Ltd* (1985), 4 C.P.R. (3d) 298 at p. 299:

The legal burden or onus, however, is (as it is with respect to each ground of opposition set forth in s. 37 of the Trade Marks Act: *Eno v. Dunn* (1890), 15 App. Cas. 252; *British American Bank Note Co. Ltd. v. Bank of America National Trust and Saving Ass'n et al.* (1983), 71 C.P.R. (2d) 26\_, at p. 35) on the applicant to establish that its trade mark is distinctive. The reason for this onus or legal burden resides in the nature of the proceeding, i.e., that the applicant is a petitioner seeking the grant of a monopoly right. The presence of an evidential burden on a party with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. The presence of a legal burden on a party means that, if after all the evidence is in a determinate conclusion cannot be reached, the issue must be decided against that party. Discussion of these evidentiary principles may be found in c. 2 of Report of the Federal/ Provincial Task Force on Uniform Rules of Evidence 1982 Carswell, Toronto, and in c. 16 of Schiff, Evidence in the Litigation Process (2nd ed. 1983, Carswell, Toronto).

i) *Compliance with the requirements of the Act*

The first ground of opposition as drafted does not constitute a proper ground of opposition. The requirement imposed on an applicant under s. 30(i) is simply to state that the applicant is satisfied that it is entitled to use the trade-mark applied for. Such statement is included in the application. If the Opponent wanted to argue that the statement was made in bad faith, it ought to allege it and prove it, neither of which was done. Therefore the first ground of opposition is dismissed.

ii) *Registrability*

The material time for considering the issue of the registrability of the Mark is the date of the Registrar's decision. [See *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991)*, 37 C.P.R. (3d) 413 at 424 (F.C.A)]

The Opponent failed to file a certified copy of registration TMA463884 for the trade-mark FLORABEADS. However the Registrar has discretion to consult the register to determine if such registration is on the register when assessing the registrability of a trade-mark. [See *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats Ltée. c. Manu Foods Ltd.*, 11C.P.R. (3d) 410] I made such verification and confirm that certificate of registration TMA463884 is still in good standing and covers: "wax esters in micro spherical form useful in the manufacture of cosmetics".

The test for confusion is set forth in s. 6(2) of the Act and I must have regard to all the surrounding circumstances, including those listed in s. 6(5): the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; the length of time the trade-marks or trade-names have been in use; the nature of the wares, services, or business; the nature of the trade; and the degree of resemblance between the trade-marks or trade-names in appearance, or sound or any ideas suggested by them. Those criteria are not exhaustive and it is not necessary to give each one of them equal weight [See *Clorox Co. v. Sears Canada Inc. (1992)*, 41 C.P.R. (3d) 483 (F.C.T.D.) and *Gainers Inc. v. Marchildon (1996)*, 66 C.P.R. (3d) 308 (F.C.T.D.)].

Mr. Justice Binnie in *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, commented in these words the assessment of the criteria under s. 6(5) of the Act to determine the likelihood of confusion between two trade-marks:

Within the “all the surrounding circumstances” test, s. 6(5) of the Act lists five factors to be considered when making a determination as to whether or not a trade-mark is confusing. These are: “(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; (b) the length of time the trade-marks or trade-names have been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them”. The list of circumstances is not exhaustive and different circumstances will be given different weight in a context-specific assessment. See *Gainers Inc. v. Marchildon* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.). In opposition proceedings, as stated, the onus is on the applicant (here the respondent) to show on a balance of probabilities that there is no likelihood of confusion.

(...)

What, then, is the perspective from which the likelihood of a “mistaken inference” is to be measured? It is not that of the careful and diligent purchaser. Nor, on the other hand is it the “moron in a hurry” so beloved by elements of the passing-off bar: *Morning Star Co-Operative Society Ltd. v. Express Newspapers Ltd.*, [1979] F.S.R. 113 (Ch. D.), at p. 117. It is rather a mythical consumer who stands somewhere in between, dubbed in a 1927 Ontario decision of Meredith C.J. as the “ordinary hurried purchasers”: *Klotz v. Corson* (1927), 33 O.W.N. 12 (Sup. Ct.), at p. 13. See also *Barsalou v. Darling* (1882), 9 S.C.R. 677, at p. 693. In *Delisle Foods Ltd. v. Anna Beth Holdings Ltd.* (1992), 45 C.P.R. (3d) 535 (T.M.O.B.), the Registrar stated at p. 538:

When assessing the issue of confusion, the trade marks at issue must be considered from the point of view of the average hurried consumer having an imperfect recollection of the opponent’s mark who might encounter the trade mark of the applicant in association with the applicant’s wares in the marketplace.

It is with these general principles in mind that I shall review the pertinent evidence and assess each relevant factor identified above.

In its written submissions the Opponent admits that the Mark and the trade-mark FLORABEADS possess the same degree of inherent distinctiveness. I shall have to determine to what extent these trade-marks are known in Canada. As stated above, the Applicant chose not to file any evidence and consequently there is no evidence of use of the Mark in Canada.

Mr. Kleiman described himself as the Opponent's Technical Service Manager. The Opponent is a botanical research and manufacturing centre that manufactures raw material to be used in cosmetic trade. He states that the Opponent has been doing business in Canada since 1989 and has used the trade-mark FLORABEADS in Canada since as early as July 1993. To support such contention the affiant has provided sales figures on an annual basis for the years 1994 to May 2004 of products sold in Canada in association with the trade-mark FLORABEADS. Samples of invoices were also provided. From the evidence in the record it appears that the Opponent's trade-mark FLORABEADS was used and known to some extent in Canada. The first two factors favour the Opponent.

Mr. Kleiman describes the products sold in Canada in association with the trade-mark FLORABEADS as microspheres made from hydrogenated jojoba oil. They are utilized as gentle alternatives to ground nut-shell-type products and used to exfoliate the skin in a scrub-type product. Cosmetic manufacturers use these products as additive ingredients to cosmetic and skin care products for decoration and emolliency. The Applicant's wares as identified above are to be used in cosmetics and pharmaceutical products. Therefore it appears that there is an overlap in the nature of the products and their possible channels of trade in so far as cosmetics and pharmaceuticals products are concerned. I have no evidence that the Opponent's products are used in the food industry. These factors also favour the Opponent in so far as the Applicant's Wares are to be used in cosmetics and pharmaceutical products.

To determine if there is any resemblance between the trade-marks in issue the marks must be viewed in their totalities. It is not a proper approach to dissect the trade-marks into their respective components and thereafter analyze their similarities to conclude that, as a whole, the trade-marks are confusing. [See *Sealy Sleep Products Ltd. v. Simpson Sears Ltd.* (1960), 33 C.P.R. 129]

Mr. Justice Denault of the Federal Court made the following analysis in *Pernod Ricard v. Molson Breweries* (1992), 44 C.P.R. (3d) 359, which summarized the test to apply when assessing the degree of resemblance between the parties' marks:

“Although the marks are not to be dissected when determining matters of confusion, it has been held that the first portion of a trade mark is the most relevant for purposes of distinction: *Molson Companies Ltd. v. John Labatt Ltd.* (1990), 28 C.P.R. (3d) 457 at p. 461, 32 F.T.R. 152, 19 A.C.W.S. (3d) 1369 (F.C.T.D.); *Conde Nast Publications Inc. v. Union Des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.) at p. 188. I believe the following words of President Thorson in the case of *British Drug Houses Ltd. v. Battle Pharmaceuticals* (1944), 4 C.P.R. 48 at pp. 57-8, [1944] 4 D.L.R. 577, [1944] Ex. C.R. 239 (Ex. Ct.), to be particularly useful in explaining why attention should be drawn to the first portion of the appellant's mark in this case:

The Court should rather seek to put itself in the position of a person who has only a general and not a precise recollection of the earlier mark and then sees the later mark by itself; if such a person would be likely to think that the goods on which the later mark appears are put out by the same people as the goods sold under the mark of which he has only such a recollection, the Court may properly conclude that the marks are similar.

In my view, the average consumer of ordinary intelligence, experiencing imperfect recollection, might not be particularly alerted to the distinction between the respondent's mark and the first word of the appellant's mark. Consequently, I feel that there is a potential for consumers believing that the respondent has launched a new product to which it has added the identifier "red" for the purpose of distinguishing it from its other products”

Mr. Justice Cattanach in *Beverly Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd* (1980), 47 C.P.R. (2d) 145, aff'd 60 C.P.R. (2d) 70 made the following comment with respect to this factor:

“Realistically appraised it is the degree of resemblance between the trade-marks in appearance, sound or in ideas suggested by them that is the most crucial factor, in most instances, and is the dominant factor and other factors play a subservient role in the over-all surrounding circumstances.”

The first component FLORA is identical and is suggestive of the origin of the Wares and the wares covered by certificate of registration TMA463884. The suffixes SPHERE and BEADS allude to the shape of the products sold in association with the trade-marks. As such I conclude that there is

some resemblance between the Mark and the trade-mark FLORABEADS both phonetically and in the ideas suggested by them. This factor also favours the Opponent.

All the relevant factors favour the Opponent. Moreover I notice that the Applicant has shown little interest in the registration of the Mark as it has not filed any evidence nor written arguments and has not requested an oral hearing. In view of all these circumstances I maintain the second ground of opposition but only in so far as oil bodies extracted from a living organism for use as an ingredient in cosmetics and pharmaceutical products is concerned. I have no evidence that oil bodies extracted from a living organism for use, as an ingredient in food products would be sold through the same channels of trade used by the Opponent for the sale of wax esters in micro spherical form useful in the manufacture of cosmetics. I consider such distinction to be important enough to negate, on a balance of probabilities any likelihood of confusion between the Mark and the Opponent's trade-mark FLORABEADS in so far as oil bodies extracted from a living organism for use as an ingredient in food products is concerned.

iii) The other grounds of opposition

The issue of likelihood of confusion between the Mark and the Opponent's trade-marks FLORABEADS and FLORASPHERES would be the central issue with respect to the other grounds of opposition. However they would have to be analyzed at different relevant dates, namely the filing date of the application to determine if the Applicant is entitled to the registration of the Mark (s. 16(3) of the Act) and the filing date of the statement of opposition to rule on the distinctiveness of the Mark. [See *Andres Wines Ltd. and E&J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A.)]

As discussed above, the Opponent has demonstrated the use of its trade-mark FLORABEADS in Canada. Such use goes back to prior to the filing date of the application for the registration of the Mark. Moreover the Opponent has demonstrated that at the advertisement date of this application, it has not abandoned the use of its aforesaid trade-mark in Canada (s. 16(5) of the Act). The Opponent has therefore met its initial obligation with respect to the remaining grounds of

opposition in so far as the trade-mark FLORABEADS is concerned. I would not have to go any further in order to conclude in favour of the Opponent with respect to those grounds of opposition when comparing the Mark with the trade-mark FLORABEADS. However my conclusion would have the same caveat in that the grounds of opposition would be maintained only for the following wares: “oil bodies extracted from a living organism for use as an ingredient in cosmetics and pharmaceutical products”. If I had to analyze those grounds of opposition by comparing the Mark with the Opponent’s trade-mark FLORASPHERES, assuming that there is sufficient evidence of use of such trade-mark, I would reach the same conclusions and restrictions with respect to the trade-mark FLORABEADS as there is no evidence of use of the trade-mark FLORASPHERES in association with any kind of wares used in the food industry.

#### **IV Conclusion**

The Applicant failed to discharge its burden to prove, on a balance of probabilities, that the Mark is not likely to cause confusion with the Opponent’s trade-marks FLORABEADS and FLORASPHERES when used in association with “oil bodies extracted from a living organism for use as an ingredient in cosmetics and pharmaceutical products”

Having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, and applying the principles enunciated in the case of *Produits Ménagers Coronet Inc. v. Coronet Werke Heinrich SCH* 10 C.P.R. (3d) 482, I refuse, pursuant to s. 38(8) of the Act, the Applicant’s application for the registration of the Mark, in so far as oil bodies extracted from a living organism for use as an ingredient in cosmetics and pharmaceutical products is concerned.

DATED, IN MONTREAL, QUEBEC, THIS 24<sup>th</sup> DAY OF OCTOBER 2006.

Jean Carrière,

Member of The Trade-marks Opposition Board