

**IN THE MATTER OF AN OPPOSITION
by North American Leisure Group Inc.
to application no. 847056 for the trade-mark
SUNQUEST filed by ETS Inc.**

On June 5, 1997, ETS Inc. filed an application to register the trade-mark SUNQUEST, based on (1) use of the mark in Canada since at least as early as November 1991 in association with the wares

tanning equipment, namely tanning beds, booths, canopies and benches, all for residential use only,

and also based on (2) use and registration of the mark in the United States of America in association with the above mentioned wares, as well as with the additional wares

tanning booths or enclosures with ultraviolet producing lamps, all for residential use only.

The restriction to the wares to indicate "all for residential use only" was added to the application during the course of the opposition proceeding: see the Board grant of leave, dated February 6, 2006, permitting the applicant to amend the application.

The subject mark was advertised for opposition purposes in the *Trade-marks Journal* issue dated June 17, 1998 and was opposed by North American Leisure Group Inc. on November 24, 1998. The Registrar forwarded a copy of the statement of opposition to the applicant on November 27, 1998. The applicant responded by filing and serving a counter statement.

STATEMENT OF OPPOSITION

The first ground of opposition alleges that the subject application does not comply with the requirements of Section 30(i) of the *Trade-marks Act*. The second ground, pursuant to Section 12(1)(d) of the *Act*, alleges that the applied for mark SUNQUEST is not registrable because it is confusing with one or more of the opponent's registered marks set out below.

Trade-mark/registration number	wares/services
SUNQUEST VACATIONS regn. 244580	The arranging and provision of vacation tour packages.
SUNQUEST; THE QUALITY PACKAGE HOLIDAY PEOPLE regn. 374202.	Arrangement and providing of air travel and tour packages.
VACANCES SUNQUEST regn. 496612	Travel and tour agency services namely, the arranging and provision of vacation tour packages.
SUNQUEST regn. 414100	Travel and tour agency services namely, the arranging and provision of vacation tour packages.
SUNQUEST regn. 429162	Airline services.
SUNQUEST regn. no. 429291	Carpets. Luggage and casual bags and business cases.

The third ground of opposition, pursuant to Section 16(1)(a) of the *Act*, alleges that the applicant is not entitled to register the applied for mark because, at the alleged date of first use of the mark, it was confusing with the opponent's above mentioned marks.

The final ground of opposition, based on Section 2 of the *Act*, alleges that the applied for mark is not distinctive because it is not capable of distinguishing the applicant's wares from the services of the opponent given the "reputation and fame attaching to the opponent's SUNQUEST

trade marks and trade name . . .”

At the oral hearing, the opponent advised the Board that it was not pursuing the first ground of opposition.

EVIDENCE OF RECORD

The opponent filed as its evidence the affidavits of Joel Birnbaum, legal administrator with the opponent company; Kathryn Anne Marshall, law clerk; Mary P. Noonan, trade-mark searcher; and Raquel O. Sananes. The opponent was subsequently granted leave to withdraw the Sananes affidavit and replace it with a second affidavit of Kathryn Anne Marshall: see the Board ruling dated June 19, 2000. The applicant, on consent of the opponent, was granted numerous extensions of time to file its evidence. The applicant's evidence, submitted on August 13, 2004, consists of the affidavit of William J. Pipp, CEO of the applicant company. Mr. Pipp was cross-examined on his affidavit. The transcript of Mr. Pipp's cross-examination, exhibits thereto, and answers to undertakings given at the cross-examination form part of the evidence of record. Both parties filed a written argument and both parties were ably represented at an oral hearing.

OPPONENT'S EVIDENCE

Ms. Marshall's first affidavit relates her observations at various randomly selected tanning salons which she visited in the Toronto area. I take it from her affidavit evidence that it is not uncommon for tanning salons to be decorated with posters depicting beach scenes evocative of warm weather vacations. However, a fair portion of the affidavit evidence is hearsay which I have

disregarded. Ms. Marshall's second affidavit is intended to confirm portions of the Sananes affidavit which it replaces. However, Ms. Marshall's second affidavit merely recounts the substance of various telephone exchanges with a number of tanning salons throughout Canada. Such evidence is hearsay and, in my view, does not qualify to be admitted into evidence under the “necessity and reliability” standard: see *R. v. Couture* 2007 SCC 28.

Ms. Noonan's affidavit merely serves to introduce into evidence copies of the trade-mark registrations that the opponent is relying upon, and copies of third party marks comprised of the component SUNQUEST. Two such marks (both owned by Sunquest Information Systems, Inc.) were located namely, SUNQUEST, application no. 695861 and SUNQUEST INFORMATION SYSTEMS & Design, application no. 1001954, used in association with computer software relating to healthcare.

Mr. Brinbaum's affidavit testimony may be summarized as follows. Canadians were first exposed to the SUNQUEST mark when Sunquest Vacations Limited was originally incorporated in 1972. After two mergers with other entities, Sunquest's business has been carried on by the opponent. The Canadian public has since 1972 been continuously exposed to the trade-names and trade-marks SUNQUEST and SUNQUEST VACATIONS in connection with the promotion, advertising and offering of travel services

Sunquest is Ontario's largest wholesale tour operator, offering charter holidays to the US, Mexico and Caribbean. The business requires extensive and widespread advertising by way of

print ads, travel brochures, daily newspaper advertisements, radio spots and television ads.

Advertising expenditures were \$3 million in 1986 rising steadily to \$9 million in 1999 (although exact figures for the period 1994 -1998 were not available). The opponent usually obtains at least 100,000 copies of any brochure for distribution to travel agencies. It is apparent from Exhibit B of Mr. Birnbaum's affidavit that the opponent's mark and trade-name SUNQUEST is prominently displayed on the front cover of the brochures. Sales of SUNQUEST holiday or travel packages totalled about \$57 million in 1986 rising steadily to about \$135 million in the period 1991 to 1993 (Canadian sales after 1997 are grouped together with overall North American sales figures). Thousands of travel agencies across Canada and the US offer SUNQUEST holiday services. In addition, the opponent has offered co-promotions with American Express, Enroute, General Motors, McDonald's restaurants, and others. The opponent's concerns with the present application are set out in paragraphs 12 and 13 of Mr. Birnbaum's affidavit, shown in full below:

12. I verily believe that based on the consistent intensive and extensive exposure of our trade mark and trade name in Canada and its regular association through our promotions with a variety of goods and services unrelated to travel, that, when consumers are confronted with the trade mark SUNQUEST, in virtually any other context and in association with any other product, they will assume that we have co-sponsored, endorsed, developed or own the associated product or service

13. In my opinion there are some clear and direct links between sun tan equipment or sun tanning services and travel vacations. The most significant of which is the common goal of the consumers for each to look tanned and healthy as if they have been on a travel holiday. Further, I am aware that generally tanning salons or tanning equipment companies advertise or promote their services using beach or travel scenery and featuring luxurious destinations in much the same manner as we do our travel services. There is a strong likelihood that customers will assume a link exists between SUNQUEST travel holidays and SUNQUEST tanning equipment

APPLICANT'S EVIDENCE

Mr. Pipp's affidavit evidence may be summarized as follows. The applicant is in the business of manufacturing and selling tanning beds, booths and other tanning equipment. The applicant has done so in the United States and elsewhere in the world since 1984. In Canada, the applicant's products are distributed by Uvalux International Inc. Uvalux sells the applicant's products to individual consumers for use in the home. The applicant's wares have been sold under the mark SUNQUEST in Canada since 1991 and in the US since 1986. Since 1991, the applicant has sold about 2,428 items of tanning equipment under the mark SUNQUEST in Canada, for a total value of about \$4.5 million (US).

It is clear from Mr. Pipp's transcript of cross-examination that he was not directly involved in selling, promoting or advertising the applicant's SUNQUEST products in Canada. Rather, those business activities were the responsibility of the applicant's exclusive distributor Uvalux. It is also clear from Mr. Pipp's transcript of cross-examination that the applicant initially sold both commercial and residential sun tanning units under its mark SUNQUEST in Canada. However, the applicant gradually began to sell its products under other brands and by the mid

1990's the SUNQUEST brand was used only for residential tanning units. Since the year 2000, the applicant has sold only about fifty SUNQUEST residential tanning units annually in Canada.

MAIN ISSUE

The determinative issue in this proceeding is whether the applied for mark SUNQUEST, used in association with a residential tanning appliance, is confusing with the opponent's trade-mark SUNQUEST used in association with holiday travel services. The material dates to assess the issue of confusion are (i) the date of my decision with respect to the ground of opposition alleging non-registrability, (ii) the date of first use of the applied for mark, that is, November 30, 1991, with respect to the ground of opposition alleging non-entitlement; and (iii) the date of opposition, that is November 24, 1998, with respect to the ground of opposition alleging non-distinctiveness: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 C.P.R.(3d) 198 at 206 - 209 (F.C.T.D.).

LEGAL ONUS

The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2) of the *Trade-marks Act*, between the applied for mark SUNQUEST used in association with residential tanning beds and the opponent's mark SUNQUEST used in association with vacation travel services. The presence of an onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant: see *John Labatt Ltd. v. Molson Companies*

Ltd. (1990) 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.). The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in Section 6(5) of the *Trade-marks Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or the sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

DISCUSSION OF S. 6(5) FACTORS

The opponent's mark SUNQUEST possesses a fair degree of inherent distinctiveness as it is a coined word not found in an English or French language dictionary. However, the inherent distinctiveness of the mark is lessened to the extent that a number of Canadians would recognize the term as suggestive of the type of service provided by the opponent, that is, travelling to a warm, sunny destination. Similarly, the inherent distinctiveness of the applied for mark is lessened to the extent that it is suggestive of the results of being in a warm, sunny location, that is, obtaining a sun tan. Counsel for the applicant cited various deficiencies in the opponent's evidence and I agree that Mr. Birnbaum's affidavit might have been more precise and thorough. However, on a fair reading of Mr. Birnbaum's affidavit as a whole and in the absence of cross-examination, I am prepared to infer that the opponent's mark SUNQUEST had acquired a

significant reputation in Canada at all material times. The applied for mark cannot claim any reputation at the earliest material date and, on the basis of the evidence before me, can only claim a minimal reputation at the later material dates. The length of time that the marks in issue have been in use favours the opponent as its use of the mark SUNQUEST predates the applicant's use by about 19 years. With respect to the nature of the parties' wares, services or business, the parties are in different businesses and offer different products to the public. However, there are some connections, albeit somewhat weak, between the tanning industry and the holiday travel business. For example, the opponent advises its potential customers about the desirability of obtaining a sun tan prior to vacationing (see paragraph 10 of Mr. Birnbaum's affidavit) and travel agencies run co-promotions with tanning salons (see Pipp cross-examination, Qs. 146-147, 206). A material surrounding circumstance, which relates to the loose connections between the parties' businesses, is that both parties advertise their products, *inter alia*, via posters and brochures which feature photographs of people in swim wear in tropical locations. The background usually consists of a combination of beach, water, sunlight and sky. Of course, the parties' marks featured on the advertising namely, the word mark SUNQUEST, are identical as well. The result of the corresponding backgrounds and identical word marks is that the overall visual impressions of the parties' print advertising are strikingly similar.

Considering the above, and keeping in mind in particular that the mark SUNQUEST possesses a fair degree of inherent distinctiveness, that the opponent's mark SUNQUEST achieved a significant reputation at all material times, that there are noticeable similarities in the parties' print advertising, and that the applicant has not established anything above a minimal

reputation for its mark SUNQUEST, I find that the applicant has failed to show, on a balance of probabilities and at any material time, that there is no reasonable likelihood of confusion between the marks in issue.

Accordingly, the subject application is refused.

DATED AT VILLE DE GATINEAU, QUEBEC, THIS 29 DAY OF JUNE, 2007.

Myer Herzig,
Member,
Trade-marks Opposition Board