

**IN THE MATTER OF AN OPPOSITION  
by Canderm Pharma Inc. to application  
no. 1196107 for the trade-mark ADVANCED  
SOLUTIONS filed by Neutrogena Corporation**

On November 13, 2003, Neutrogena Corporation filed an application to register the trade-mark ADVANCED SOLUTIONS, based on proposed use in Canada, in association with the following cosmetic products:

soaps; perfumes; eau de cologne; toilet water; cosmetics, namely, foundation, concealer, liquid and cream make up, blush, lipstick, loose and pressed facial powder, mascara and eye shadow; essential oils; non-medicated toilet preparations, namely lotions, creams, toners, cleansers and moisturizers; talcum powders for toilet use; lipsticks; preparations for the hair; shampoos; conditioners; anti-dandruff shampoos and conditioners; hair sprays; scalp treatments; styling aids; non-medicated preparations for the care of the skin; face and body creams and moisturizers; face and body lotions; face and body emulsions; face and body gels; face and body cleansers; face and body toners; beauty masks, facial packs, nail care preparations, nail varnish; bath oils, massage oils, facial oils, face and body powders, bath and shower preparations, bath gel, moisturizing body wash, body mist, body powders, body splash and dry oil spray; sun tanning preparations, sunblocks, sunscreens, sun protection lotions, sun protection creams, sunless tanning sprays, creams and lotion for the body and face, facial bronzer; antiperspirant, deodorants for use on the person; lip moisturizers; non-medicated balms; foot cream, moisturizers; non-medicated protective and moisturizing ointments, creams and cleaners; pore clarifying treatment, pore cleansing strips, masks, scrubs and toner astringent; age-retardant creams, lotions and gels; eyelash treatments and conditioners; and mascara.

The subject mark was advertised for opposition purposes in the *Trade-marks Journal* issue dated October 20, 2004, and was opposed by Canderm Pharma Inc. on December 15, 2004. The Board advised the opponent that the statement of opposition did not set out sufficient details,

and provided the opponent with an opportunity to amend its pleadings. The opponent did so. The Board then forwarded a copy of the amended statement of opposition to the applicant on January 25, 2005. The applicant responded by serving and filing a counter statement generally denying the grounds of opposition and objecting to the Board's practice of permitting an opponent to perfect its pleadings.

The opponent's evidence consists of the affidavit of Barry Vogel, President of the opponent company. The applicant's evidence consists of the affidavits of James S. Colleran, a senior executive of the applicant company; and Mary Talbot, secretary. Only the applicant filed a written argument. Neither party requested an oral hearing.

#### STATEMENT OF OPPOSITION

Two grounds of opposition are alleged:

- (a) The applicant is not entitled to register the applied for mark, pursuant to Section 16(3)(b) of the *Trade-marks Act*, because at the date of filing the subject application the mark ADVANCED SOLUTIONS was confusing with the opponent's previously filed trade-mark application for ADVANCED DERMO SYSTEMS. In this regard, the opponent's application for the mark ADVANCED DERMO SYSTEMS was filed on October 24, 2003, is also based on proposed use in Canada and covers the wares "facial cleansers, facial creams and liquid peels."
- (b) Having regard to Section 2 of the *Trade-marks Act*, the applied for mark ADVANCED SOLUTIONS is not distinctive of the applicant's wares and is not adapted to distinguish them from the wares of the opponent sold under its mark ADVANCED DERMO SYSTEMS.

#### OPPONENT'S EVIDENCE

Mr. Vogel's affidavit testimony may be summarized as follows. The opponent launched

its products sold under its mark ADVANCED DERMO SYSTEMS in March 2004. Sales since the launch until the beginning of September 2005 amounted to about \$3 million. Direct advertising and marketing expenses involved in the launch amounted to about \$1.75 million. Various examples of advertising of ADVANCED DERMO SYSTEMS products are included as exhibit material to Mr. Vogel's affidavit. Mr. Vogel notes that at some time unknown to him the applicant Neutrogena launched its ADVANCED SOLUTIONS wares in Canada for (i) the same products (ii) sold to the same customers (iii) and through the same channels of trade as the opponent. Further, Mr. Vogel notes that (iv) both parties emphasize the word ADVANCED on their packaging and (v) there are similarities in product packaging namely, blue for the side panel of the container and grey for the top of the container. Exhibit material consisting of the applicant's packaging for its ADVANCED SOLUTIONS products support Mr. Vogel's assertions.

#### APPLICANT'S EVIDENCE

Mr. Colleran's evidence may be summarized as follows. The applicant is a United States of America based company which sells and distributes its products in Canada as well as in its home country. His company acted in good faith in choosing the mark ADVANCED SOLUTIONS, as evidenced by a report from its U.S. counsel that there would be no "serious risk of conflict . . .:"see Exhibit B attached to Mr. Colleran's affidavit. Further, six ADVANCED SOLUTIONS marketing concepts were prepared for the applicant's products and the colour scheme finally chosen was similar to one first developed by the applicant in 1999. The same colour scheme is currently used in conjunction with other of the applicant's products. The

packaging for ADVANCED SOLUTIONS products used in Canada is essentially identical to the packaging used in the U.S. The applicant's marketing plans to launch its ADVANCED SOLUTIONS products in Canada and in the U.S. commenced prior to the date of filing of the opponent's application for its mark ADVANCED DERMO SYSTEMS.

The applicant began to sell its wares in Canada under the applied for mark in November 2004. Sales since then to March 2006 have amounted to about \$7 million. The applicant has advertised its ADVANCED SOLUTIONS products in Canada in various Canadian publications including *Canadian Living*, *Elle Canada*, *Elle Quebec*, and *Chatelaine*. Such advertising expenses exceeded \$3.9 million for the period November 2004 to March 2006.

Ms. Talbot's affidavit serves to introduce into evidence copies of several third party trade-mark registrations, for cosmetic products, which are comprised in part of the component ADVANCED. Ms. Talbot also testifies that she attended at various Shoppers Drug Mart retail outlets in the City of Toronto, where she found that cosmetic and skin care products were grouped, according to brand, in the same general area of the store. The applicant's wares, including ADVANCED SOLUTIONS products, were together in a Neutrogena grouping while the opponent's wares, including ADVANCED DERMO SYSTEMS, were together in a Canderm Pharma Inc. grouping (of its NEOSTRATA line of products).

#### APPLICANT'S SUBMISSIONS ON OPPONENT'S EVIDENCE

The applicant, in its written argument, argues that the mark ADVANCED DERMO

SYSTEMS does not distinguish the opponent's wares from the wares of others because the opponent cannot claim that use of the mark ADVANCED DERMO SYSTEMS enures to the benefit of the opponent. In this regard, the applicant notes that the term "NEOSTRATA Canada" appears prominently on product packaging and advertising for the opponent's wares. The applicant concludes that consumers would believe "NEOSTRATA Canada" rather than the opponent Canderm Pharma Inc. was the source of the wares. The applicant's argument is not without merit, particularly as the term NEOSTRATA does appear prominently on product packaging and advertising for ADVANCED DERMO SYSTEMS products, with the term "Canada" in close proximity but less prominent. However, I note that the opponent's name Canderm Pharma Inc. also appears on packaging and advertisements where NEOSTRATA is identified as a "line" of products. I agree with the applicant to the extent that some consumers may be led to believe that "NEOSTRATA Canada" is a trade-name or entity adapted for distributing ADVANCED DERMO SYSTEMS products. However, I am not prepared to find on the evidence before me that "NEOSTRATA Canada" would be perceived as an entity separate and apart from the opponent Canderm Pharma Inc. Further, there is an equally convincing argument to be made that NEOSTRATA would simply be viewed as a house-mark of Canderm Pharma Inc. Even if I were to agree with the applicant concerning the effect of the use of the term "NEOSTRATA Canada," such a finding would not benefit the applicant in respect of the first ground of opposition for which the material date is November 13, 2003, that is, prior to any sales of the opponent's ADVANCED DERMO SYSTEMS products in Canada.

## MAIN ISSUE

The determinative issue in this proceeding is whether the applied for mark ADVANCED SOLUTIONS is confusing with the opponent's mark ADVANCED DERMO SYSTEMS. The material dates to assess the issue of confusion are (a) the date of filing the application, that is, November 13, 2003, with respect to the ground of opposition alleging non-entitlement, and (b) the date of opposition, that is, December 15, 2004, 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.). In the instant case, nothing turns on whether the issue of confusion is assessed at a particular material date.

## 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 ADVANCED SOLUTIONS and the opponent's mark ADVANCED DERMO SYSTEMS. 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.).

#### CONSIDERATION OF SECTION 6(5) FACTORS

The opponent's mark ADVANCED DERMO SYSTEMS possesses a relatively low degree of inherent distinctiveness because it is suggestive of a leading or cutting edge method for skin care. Similarly, the applied for mark ADVANCED SOLUTIONS possesses a relatively low degree of inherent distinctiveness because it is suggestive of leading edge preparations to ameliorate cosmetic issues. Neither mark had acquired any reputation at the earlier material date (November 13, 2003) while the opponent's mark had acquired some reputation at the later material date (December 15, 2004) owing to use and advertising under the mark beginning in March 2004. The length of time that the marks in issue have been in use favours the opponent to a minor extent as the opponent began to use its mark ADVANCED DERMO SYSTEMS about eight months before the applicant began to use its mark ADVANCED SOLUTIONS. The nature of the parties' wares and the parties' channels of trade are essentially the same and, as evidenced by Ms. Talbot, the parties' wares may be expected to be sold in near proximity in cosmetic sections of retail outlets. However, I agree with the applicant that grouping together cosmetic wares originating from a single manufacturer would tend to lessen the likelihood of confusion.

The marks in issue resemble each other to the extent that they share the prefix component ADVANCED. Ordinarily, it is the first component in a trade-mark that is the more important for the purpose of distinction: see *Conde Nast Publications Inc. v. Union Des Editions Modernes* (1979), 26 C.P.R.(2d) 183 at 188 (F.C.T.D.). However, in a case such as this, where the first component is a common word and is also somewhat laudatory, the importance of the first word is lessened. That is, the average consumer would tend to discount the first portion of the marks and focus more on the remaining components of the parties' marks. When such discounting is taken into account, it is apparent that the marks in their entireties are considerably more different visually, in sounding and in ideas suggested than they are alike. In my view the same conclusion would follow, but to a lesser degree, even if discounting was not applied.

Ms. Talbot's evidence of third party trade-mark registrations which are prefixed by the component ADVANCED is insufficient to be of probative value and does not further the applicant's case.

#### DISPOSITION

Having regard to the above, I find that the applicant has met the onus on it to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the marks in issue. Accordingly, the opponent's opposition is rejected. As the applicant has succeeded on substantive grounds, I do not propose to comment on the applicant's objections the Board's



policy, alluded to earlier, of permitting an opponent to perfect its pleadings..

DATED AT VILLE DE GATINEAU, QUEBEC, THIS 6th DAY OF FEBRUARY, 2008.

Myer Herzig,  
Member,  
Trade-marks Opposition Board