



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2014 TMOB 285
Date of Decision: 2014-12-23

**IN THE MATTER OF AN OPPOSITION
by Sharadha Terry Products Limited to
application No. 1,499,689 for the trade-
mark MICROCOTTON in the name of
The Dial Corporation**

[1] Sharadha Terry Products Limited (the Opponent) opposes registration of the trade-mark MICROCOTTON (the Mark) that is the subject of application No. 1,499,689 by The Dial Corporation (the Applicant). The application is based on proposed use of the Mark in Canada in association with “antiperspirants and deodorants for personal use”.

[2] In its statement of opposition, the Opponent alleges that: (i) the application does not conform to section 30(e) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act); (ii) the Mark is not registrable under section 12(1)(d) of the Act; (iii) the Applicant is not the person entitled to registration of the Mark under section 16(3)(a) of the Act; and (iv) the Mark is not distinctive under section 2 of the Act. In its written argument, the Opponent indicated that it no longer wishes to pursue its section 30(e) ground of opposition. I will therefore not be considering that ground of opposition. The remaining grounds of opposition all turn on the issue of confusion with the Opponent’s trade-mark MICRO COTTON.

[3] For the reasons that follow, I reject the opposition.

The Record

[4] The Opponent filed its statement of opposition on September 28, 2011. The Applicant filed and served its counter statement on December 5, 2011 denying all of the grounds of opposition.

[5] In support of its opposition, the Opponent filed the affidavit of G. Kannappan, Chairman and Managing Director of the Opponent, in substitution for the affidavit of Kiruthika Vikram, President of the Opponent, as Mr. Vikram could no longer be made available for cross-examination. Mr. Kannappan was cross-examined and his cross-examination transcript forms part of the record.

[6] In support of its application, the Applicant filed two affidavits of Gay Owens, a trade-mark searcher with the Applicant's trade-mark agent.

[7] Both parties filed written arguments and were represented at an oral hearing.

The Parties' Respective Burden or Onus

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd.* (1990), 30 CPR (3d) 293 (FCTD) at 298].

Is the Mark Confusing with the Opponent's Registered Trade-mark?

[9] The material date for considering this issue, which arises from the section 12(1)(d) ground of opposition, is the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)]. For reasons that follow, I reject this ground of opposition and decide this issue in favour of the Applicant.

[10] Having exercised the Registrar's discretion to check the Register, I confirm that the Opponent's registration No. TMA583,363 is in good standing. The Opponent has therefore met its initial evidential burden in relation to this ground of opposition. As an aside, I note that the Opponent's registration was the subject of a recent section 45 decision in which the Registrar held that certain goods should be deleted from the registration, I will discuss this in more detail under the section 6(5)(c) analysis.

The test for confusion

[11] Since the Opponent has satisfied its initial evidential burden, the issue becomes whether the Applicant has met its legal burden to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's registered trade-mark MICRO COTTON.

[12] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[13] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion.]

[14] I will now turn to the assessment of the section 6(5) factors.

Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known

[15] The overall consideration of the section 6(5)(a) factor, which involves a combination of inherent and acquired distinctiveness of the parties' trade-marks, favours the Opponent. I assess the inherent distinctiveness of both parties' marks to be equal in that neither is inherently strong. In this regard, both trade-marks are composed of common words in the English language, "micro" and "cotton". In this regard, *The Canadian Oxford Dictionary* defines:

- the term "micro" as "microscopic; very small";
- the term "micro-" as "small" or "containing or pertaining to something in minute form, quantity, or degree"; and
- the term "cotton" as "a soft white fibrous substance covering the seeds of certain plants" or "thread or cloth made from the fiber".

[16] When viewed in the context of the goods with which they are associated, the Opponent's trade-mark suggests that the towels and related products are made of cotton in very small forms while the Applicant's Mark suggests that the deodorants and anti-perspirants evoke the idea of cotton in very small forms.

[17] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. The Applicant has not provided any evidence of promotion or use of the Mark to date. Conversely, the Opponent introduced some evidence of promotion and use of its trade-mark MICRO COTTON in Canada through the Kannappan affidavit.

[18] In his affidavit, Mr. Kannappan states that the Opponent forms part of a group of integrated companies known as the KG Group of Companies. These companies are involved in the textile industry in South India. According to Mr. Kannappan, the Opponent develops and manufactures high quality terry towels and related goods.

[19] Mr. Kannappan states that the Opponent's products are sold under the trade-mark MICRO COTTON and that they are distributed through a variety of venues around the world, including Bed Bath & Beyond, Sears Canada, The Bay, and Home Outfitters, all of which are located in Canada.

[20] Mr. Kannappan states that the Opponent has been selling towels and related goods under the trade-mark MICRO COTTON in Canada since at least as early as May 2003. According to Mr. Kannappan, for the past three years, the Opponent has sold over \$3.5 million worth of MICRO COTTON towels and related goods in Canada each year, representing over 750,000 units annually.

[21] Mr. Kannappan also attests that its customers, such as Sears Canada, regularly advertise MICRO COTTON products in newspapers in Canada. However, there is no documentary evidence showing the manner in which this occurs nor is there any information regarding the extent to which the Opponent's trade-mark has been promoted in Canada.

[22] In its written argument, the Applicant submits that there is a hearsay issue with respect to the sales figures, as Mr. Kannappan indicated during cross-examination that the numbers were not obtained directly from the Opponent's business records. Rather, the information was prepared by one of Mr. Kannappan's unidentified employees in the marketing department and provided to Mr. Kannappan for the purpose of the affidavit. Consequently, the Applicant is of the view that the business records exception does not apply in this case. I disagree.

[23] In his affidavit, Mr. Kannappan states that as the Chairman and the Managing Director of the Opponent for the past 17 years, he is aware of business activities relating to products offered by the Opponent in Canada (paragraph 1 of the Kannappan affidavit). Mr. Kannappan further states that the facts set out in his affidavit are either known to him personally or have been ascertained from business and corporate records maintained by the Opponent in the normal course of business (paragraph 1 of the Kannappan affidavit). Mr. Kannappan also explained during cross-examination that his role is to manage the whole company and that he is involved in all the operations, "from production to marketing and administration" (Kannappan cross-examination, Q13).

[24] Mr. Kannappan was specifically asked about the sales figures during cross-examination. He confirmed that while he has access to the Opponent's records, the numbers were compiled by an employee from those records who then submitted them to Mr. Kannappan for the preparation of his affidavit (Kannappan cross-examination, Q33 to 37, Q56).

[25] Based on a fair reading of the Kannappan affidavit together with the transcript of cross-examination, I am satisfied that the sales figures for MICRO COTTON towels and related goods sold in Canada are based on records that were prepared and kept in the ordinary course of the business by the Opponent's marketing department. Although it would have been preferable for the Opponent to have adduced its annual sales figures by way of an affidavit from the person in the Opponent's marketing department who reviewed the business records, I see no reason to question the reliability of the information set forth in paragraphs 11 and 12 of the Kannappan affidavit.

[26] Even if I were to accord those sales figures reduced weight, the evidence still shows that the Opponent has sold MICRO COTTON towels in Canada for an extended period of time.

[27] The Applicant also takes issue with several photos of labels which are attached as Exhibit "A" to the Kannappan affidavit. The labels bear the Mark, along with other trade-marks such as GLUCKSTEINHOME and WholeHome. The Applicant submits that these photos do not evidence use of the Mark by the Opponent, but rather by third parties. In support of this contention, the Applicant refers to the affidavit of Gay Owens of June 12, 2012, which includes printouts of the particulars for registration Nos. TMA822,816 for the trade-mark GLUCKESTEINHOME & Design, registered in the name of Glucksteinhome Inc., and TMA446,953 for the trade-mark WHOLE HOME, registered in the name of Sears Canada Inc.

[28] Mr. Kannappan clearly states in his affidavit that the Opponent is in the business of manufacturing towels and related products under the trade-mark MICRO COTTON, which are sold through various retailers in Canada, including Sears Canada. While it would have been helpful for the Opponent to explain its relationship with the third parties whose trade-marks seem to also appear on these labels, the law is clear that nothing prohibits the simultaneous use of two or more trade-marks, as long as they are not combined in a way which would render the individual trade-marks indistinguishable [*AW Allen Ltd v Warner-Lambert Canada Inc* (1985), 6 CPR (3d) 270 (FCTD); *Canadian Council of Professional Engineers v ING LORO PIANA & C SPA* (2008), 72 CPR (4th) 220 (TMOB), *Philip Morris Products SA v Marlboro Canada Ltd* (2010), 90 CPR (4th) 1].

[29] In any case, I note that Mr. Kannappan also attaches as Exhibit “A”, additional photos of labels bearing solely the Opponent’s trade-mark MICRO COTTON, which are representative of the manner in which the trade-mark has been used in Canada since at least as early as May 2003. The words “MICROCOTTON® COLLECTION” and “MICROCOTTON®”, as well as “Micro Cotton” followed by “Select” written in a distinct font on a separate line, can be seen in three photos showing tags attached to towels, in addition to a photo of a label with the word “MICROCOTTON®”.

[30] When Mr. Kannappan’s affidavit is read in its entirety, I am satisfied that the Opponent’s trade-mark MICRO COTTON has been used in association with towels in Canada within the meaning of section 4(1) of the Act. As there is no evidence of promotion and use of the Mark in Canada, it can only be concluded that the Opponent’s trade-mark has become known in Canada to a greater extent than the Mark.

[31] Accordingly, the section 6(5)(a) factor favours the Opponent.

Section 6(5)(b) – the length of time the trade-marks have been in use

[32] The overall consideration of the section 6(5)(b) factor clearly favours the Opponent. In addition to the evidence of use set out in the Kannappan affidavit discussed above, I note that a declaration of use for registration No. TMA583,363 for the trade-mark MICRO COTTON was filed on May 26, 2003. In contrast, the application for the Mark is solely based on proposed use in Canada and there is no evidence of use of the Mark by the Applicant in Canada to date.

Sections 6(5)(c) and (d) – the nature of the goods, trade and business

[33] The sections 6(5)(c) and (d) factors, which involve the nature of the goods, trade and business of the parties, favour the Applicant.

[34] When considering sections 6(5)(c) and 6(5)(d) of the Act, it is the statement of goods as defined in the application for the Mark and the statement of goods in the Opponent’s registration No. TMA583,363 that govern the assessment of the likelihood of confusion under section 12(1)(d) of the Act [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista*

Investments Ltd (1987), 19 CPR (3d) 3 (FCA)]. As mentioned above, the Opponent's registration was the subject of a recent section 45 decision in which the Registrar held that certain goods should be deleted from the registration [see *Smart & Biggar v Sharadha Terry Products Ltd* 2014 TMOB 203]. Specifically, the registration was amended to read as follows:

Towels of textile, namely, bath towels, hand towels, wash towels and terry towels; textiles goods namely, bath robes; textile home furnishings, namely, pillow sheets, bath sheets, and floor mats.

[35] I find that there is no similarity between the Opponent's registered goods, which consist of towels and textile goods, and those of the Applicant, namely antiperspirants and deodorants for personal use.

[36] Neither the Opponent's registration nor the subject application contains any restriction on the channels of trade. As mentioned above, Mr. Kannappan states that the Opponent's towels and related products are sold via home furnishing stores in Canada such as Bed Bath & Beyond, Sears Canada, The Bay and Home Outfitters. No evidence was filed regarding the nature of the trade engaged in by the Applicant for its personal hygiene products.

[37] At the oral hearing as well as in its written argument, the Opponent submitted that even though there is no direct overlap between the parties' goods, the Registrar should take judicial notice that "both anti-perspirants and towels may be found in bathrooms, gym and pool lockers rooms, and similar locations". Even if I were prepared to take judicial notice of this, the mere fact that the parties' goods might be placed in the same quarters by an end consumer does not allow me to infer that a close connection exists between textile goods and personal hygiene products or that there is a potential for overlap in their channels of trade.

[38] Accordingly, I find that the sections 6(5)(c) and (d) factors favour the Applicant.

Section 6(5)(e) – the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[39] When considering the degree of resemblance, the law is clear that the trade-marks must be considered in their totality. It is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trade-marks.

[40] There is a significant degree of resemblance between the marks. In this regard, the parties' trade-marks are highly similar in appearance and identical in sound. Moreover, the trade-marks are highly similar in connotation.

[41] Accordingly, this factor favours the Opponent.

Additional surrounding circumstances

[42] The Applicant submits that state of the register evidence filed through the affidavit of Gay Owens sworn July 24, 2012 lends support to a finding of no likelihood of confusion between the trade-marks. In particular, the Applicant submits that this evidence shows co-existence on the register of identical or nearly identical trade-marks, in groups of two, registered in the names of different entities for towels and deodorants. Thus, the Applicant submits that highly similar trade-marks can co-exist on the register without serious risk of confusion when they are registered in association with significantly different goods.

[43] Unlike state of the register evidence that shows the commonality or the distinctiveness of a trade-mark or portion of a trade-mark in relation to the register as a whole, the Owens Affidavit does not allow me to make any inference or draw any conclusion regarding the common adoption or use of trade-marks comprising of the terms MICRO and COTTON in the marketplace. Moreover, the mere fact that pairs of highly similar trade-marks with no connection to those in the present case can co-exist on the register for similar goods do not speak to the ambit of protection that should be afforded to the trade-marks at issue. Evidence of co-existence of completely different trade-marks on the register for towels and deodorants is of no assistance to the Applicant in terms of the likelihood of confusion between the Opponent's trade-mark and the Mark.

Conclusion in the likelihood of confusion

[44] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. Having considered all of the surrounding circumstances, despite a high degree of resemblance between the parties' trade-marks as well as evidence of the Opponent's mark being used in Canada for an extended period of time in association with towels, in view of the wide disparity between textile goods and personal hygiene products, and the absence of any

evidence of potential for overlap in their respective channels of trade, I am satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between Mark and the Opponent's trade-mark.

[45] In the end, I am satisfied that the ordinary consumer would not, as a matter of first impression, think that MICRO COTTON towels and textile goods and MICROCOTTON antiperspirants and deodorants emanate from a common source.

[46] Accordingly, I dismiss the section 12(1)(d) ground of opposition.

Was the Applicant the person entitled to registration of the Mark at the filing date of the application?

[47] The material date for considering this ground of opposition is the filing date of the application for the Mark, namely October 14, 2010.

[48] The Opponent has the initial burden of proving that its trade-mark alleged in support of this ground of opposition was used in Canada prior to the material date and had not been abandoned at the date of advertisement of the application for the Mark [section 16(5) of the Act].

[49] I am satisfied that the Opponent has discharged its evidentiary burden to show prior use and non-abandonment of its trade-mark MICRO COTTON. Assessing each of the section 6(5) factors as of October 14, 2010 rather than as of today's date does not significantly impact my previous analysis of the surrounding circumstances of this case. I therefore conclude that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark proposed to be used in association with antiperspirants and deodorants for personal use and the Opponent's trade-mark used in association with towels and textile goods as of October 14, 2010.

[50] Accordingly, I dismiss the section 16(3)(a) ground of opposition.

Was the Mark distinctive of the Applicant's goods at the filing date of the statement of opposition?

[51] This ground of opposition as pleaded is based upon the likelihood of confusion between the Mark and the Opponent's trade-mark MICRO COTTON. The material date to assess this ground of opposition is the filing date of the statement of opposition, namely September 28, 2011 [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

[52] I am satisfied that the Opponent has met its evidentiary burden to establish that its trade-mark MICRO COTTON had become known sufficiently in Canada, as of September 28, 2011, to negate the distinctiveness of Mark [see *Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD); *Bojangles' International, LLC and Bojangles Restaurants, Inc v Bojangles Café Ltd* 2006 FC 657 (CanLII), (2006), 48 CPR (4th) 427 (FC)].

[53] However, assessing each of the section 6(5) factors as of September 28, 2011 does not significantly impact my previous analysis of the surrounding circumstances of this case. For reasons similar to those expressed previously, I therefore conclude that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark proposed to be used in association with antiperspirants and deodorants for personal use and the Opponent's trade-mark used in association with towels and textile goods as of September 28, 2011.

[54] Accordingly, I dismiss the non-distinctiveness ground of opposition.

Disposition

[55] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition under section 38(8) of the Act.

Pik-Ki Fung
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office