

TRADUCTION/TRANSLATION

**IN THE MATTER OF THE
OPPOSITION by Pharmacia AB to
application for registration No. 887975 for
the trade-mark NOCOTINEX submitted
by Homeocan Inc.**

On August 18, 1998, Homeocan Inc. (“the Applicant”) submitted an application for the registration of the trade-mark NICOTINEX (“the Trade-Mark”). It was published in the *Trade-marks Journal* on September 29, 1999, in association with the following products:

Homeopathic product, namely: drops and grains taken to help stop smoking and to detoxify the body (hereinafter “the Products”).

The Applicant claims use commencing no later than August 1996 in association with the Products. Pharmacia AB (“the Opponent”) submitted a statement of opposition on February 29, 2000. The grounds of the Opponent’s opposition are as follows:

- (a) under paragraph 38(2)(a) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (“the Act”), the application for registration does not conform to the requirements of section 30 of the Act because the Applicant has not used the Trade-Mark since the date of first use referred to in application No. 887975;
- (b) under paragraph 38(2)(a) of the Act, the application for registration does not conform to the requirements of section 30 of the Act because, on the date the application for registration was submitted, the Applicant had not used the Trade-Mark;
- (c) under paragraph 38(2)(b) of the Act, the Trade-Mark is not registrable by reason of paragraph 12(1)(d) of the Act because the Trade-Mark is confusing with the registered marks of the Opponent, specifically:

NICORETTE, registration certificate No. 237,201, issued November 16, 1979, in association with nicotine-containing chewing gum;

NICORETTE and drawing as illustrated below, registration certificate No. 277129 issued February 25, 1983, in association with nicotine-containing chewing gum;

nicorette

NICOTROL, registration certificate No. 423182, issued February 18, 1994, in association with pharmaceutical products, namely a trans-dermal nicotine patch for use in smoking cessation programs.

- (d) under paragraph 38(2)(c) of the Act, the Applicant is not the person entitled to the registration of the Trade-Mark in Canada by reason of paragraph 16(1)(a) of the Act. On the alleged date of first use, namely August 1996, the Mark in Canada was confusing with the aforementioned trade-marks NICORETTE, NICORETTE and drawing and NICOTROL, belonging to the Opponent and previously used and made known by the Opponent in Canada. The Opponent's mark NICORETTE has been used in Canada in association with the aforementioned products since at least as early as May 28, 1979; the Opponent's mark NICORETTE and drawing has been used in Canada since at least as early as December 16, 1982, and the Opponent's mark NICOTROL has been used in Canada since at least as early as November 16, 1993, in association with the products described above.
- (e) under paragraph 38(2)(d) of the Act, specifically, that the Trade-Mark is not distinctive within the meaning of section 2 of the Act. The Trade-Mark does not actually distinguish and cannot be used to distinguish the Products from the Opponent's products, nor is it apt to do so.

The Applicant filed a counter-statement that essentially denies the allegations contained in the Opponent's statement. The Opponent filed a certified copy of registration certificates 237201,

277129 and 423182 (“the Registration Certificates”) in respect of the trade-marks mentioned above, as well as the affidavits of Frederik Berget and Haral Alm with Exhibits FB-1 to FB-3; Greg S. Josey with Exhibits GSJ-1 to GSJ-2; and Jean Forcione with Exhibits JF-1 to JF-12; while the Applicant filed the affidavits of Manon Gaudreau along with Exhibits MG-1 to MG-4 and Michèle Boisvert with Exhibits MB-1 to MB-5.

In response to the evidence submitted by the Applicant, the Opponent filed the affidavit of Carole Delisle along with the attached Exhibits CD-1 to CD-3. Both parties filed written submissions and no hearing was held. The Opponent withdrew its second ground of opposition in its written submissions.

Before considering the evidence submitted by the parties, it is important to review certain principles of evidence applicable to oppositions:

- (a) The burden of proof is on the Applicant to satisfy the Registrar that there is no reasonable possibility of confusion, within the meaning of section 2 of the *Trade-marks Act*, between the parties’ trade-marks on the material dates described below [see *Sunshine Biscuits Inc. v. Corporate Foods Ltd. (1982), 61 C.P.R. (2d) 53*].
- (b) Based on the evidence in the record, the Registrar must be reasonably satisfied that, on a balance of probabilities, the registration is unlikely to create confusion [see *Christian Dior, S.A. and Dion Neckwear Ltd., [2002] 3 F.C. 405*].

The first ground of opposition is based on section 30 of the Act. While the burden of proof is on the Applicant to show that the application for registration conforms to the requirements of section 30, there is an initial burden of proof on the Opponent to establish certain facts on which this ground of opposition is based. However, this initial burden of proof on the Opponent is minimal. Moreover, the Opponent may refer to the evidence submitted by the Applicant to discharge this initial burden. (*Tune Masters v. Mr. P’s Mastertune Ignition Services Ltd. (1986), 10 C.P.R. (3d) 84 (T.M.O.B.)*, *Hearst Communications Inc. v. Nesbitt Burns Corp. (2000), 7 C.P.R. (4th) 161 (T.M.O.B.)*, *Labatt Brewing Co. v. Molson Breweries, a Partnership (1996), 68 C.P.R. (3d) 216 (F.C.T.D.)* and *Williams Telecommunications Corp. v. William Tell Ltd. (1999), 4 C.P.R. (4th) 107 (T.M.O.B.)*.)

The Opponent contends that the Applicant's own evidence shows that there is no proof that the Trade-Mark was used between the presumed date of first use and November 1997.

The Opponent so concludes based on the following facts in the Applicant's evidence:

- (i) The sales figures disclosed in paragraph 7 of Ms. Boisvert's affidavit begin only in November 1997.
- (ii) The sample of a product bearing the Trade-Mark was apparently only sold in Canada as of April 1998.
- (iii) Nothing suggests that the invoices that constitute Exhibit MB-3 of Ms. Boisvert's affidavit and are intended to establish use of the Trade-Mark, come from the Applicant. What is more, even if the Applicant did issue these invoices, the oldest is dated May 1998. The affiant has provided no explanation as to why there are no copies of invoices for the period of August 1996 to May 1998 by way of confirmation of the use of the Trade-Mark during that period.
- (iv) Exhibit MB-4 consists of tables submitted to prove that the Products bearing the Trade-Mark were the subject of advertising campaigns in the circulars of various pharmacy chains. The tables pertain to advertisements subsequent to September 1998.

The evidence in the record raises very serious doubts as to whether the Trade-Mark has been in use since the date of first use alleged in the application for registration filed by the Applicant [see *Hearst Communications Inc., infra*]. Consequently, the Opponent has discharged its burden of proof with regard to the first ground of opposition based on section 38(2)(a) of the Act. The Applicant has submitted no evidence to support its date of first use of the Mark within the meaning of sections 2 and 4 of the Act. For these reasons, I allow this ground of opposition raised by the Opponent, but I will proceed nonetheless to consider the Opponent's other grounds.

The material date for assessing the ground of opposition that is based on section 12(1)(d) of the Act is the date of the decision [see *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R. (3d) 413 (F.C.A.)*]. The material date for assessing the grounds of opposition based on section 16(1) of the Act is the date of first use alleged in the Applicant's application for ground of opposition based on the Trade-Mark's lack of distinctiveness is

generally recognized as the date the opposition is filed (February 29, 2000) [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., infra*].

To determine whether the use of the Trade-Mark is likely to be confusing with the Opponent's trade-marks identified in its statement of opposition, I must follow the method prescribed by section 6 of the Act, which reads as follows:

6. (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

(2) The 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 wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(3) The use of a trade-mark causes confusion with a trade-name if the use of both the trade-mark and trade-name in the same area would be likely to lead to the inference that the wares or services associated with the trade-mark and those associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(4) The use of a trade-name causes confusion with a trade-mark if the use of both the trade-name and trade-mark in the same area would be likely to lead to the inference that the wares or services associated with the business carried on under the trade-name and those associated with the trade-mark are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(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.

It is clearly settled that the list of circumstances set out above is not exhaustive, and that it is not necessary to give equal weight to each [for example, 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.)].

I will therefore analyze the evidence having regard to these criteria or any other criteria determined to be relevant in the instant case.

- distinctiveness of the trade-marks

The Trade-Mark contains the word “nicotine”, to which the letter “x” has been added. Although it is an invented word, the suggestive character of the Trade-Mark accords it a small degree of distinctiveness. In addition, the Applicant’s sales figures, as alleged in Ms. Boisvert’s affidavit, do not permit me to conclude that the mark has acquired significant inherent distinctiveness on the date of my decision.

The Opponent’s marks all begin with the prefix NICO, which is suggestive of “nicotine” when used as a component of a trade-mark used in association with wares of the type in issue. Based on the uncontradicted statements in the affidavit of Mr. Josey, finance director at Johnson & Johnson Merck Consumer Pharmaceuticals (“Johnson”), that company, in its capacity as Canadian distributor, sold trans-dermal nicotine patches in Canada bearing the trade-mark NICOTROL from April 1994 to June 28, 2000. The product is manufactured in Sweden by the Opponent. For the period of 1996 to 2000 (to June 28), sales of this product in Canada varied between \$569,000 to \$3,734,000, and totalled nearly \$9,000,000.

Mr. Forcione is employed by Aventis Pharma Inc., the Canadian distributor of nicotine-containing chewing gum sold in Canada under the trade-mark NICORETTE. The product is also manufactured in Sweden by the Opponent. It was available in Canada with a

prescription starting in 1979, and has been available without a prescription since 1993. There is no doubt that this trade-mark has become known in Canada; the sales figures submitted by Mr. Forcione establish this. Indeed, sales of this product in Canada for the period of 1992 to October 2000 totalled more than \$120,000,000.

The affidavits of Messrs. Josey and Forcione contain information on amounts spent on advertising and promotion. The affidavits do not state that the amounts set out therein were spent exclusively on the promotion of the trade-marks NICOTROL and NICORETTE in Canada. Consequently, I cannot draw a conclusion about the trade-marks in question based on these amounts.

Nonetheless, I find that the trade-marks NICOTROL and NICORETTE possess more inherent distinctiveness than the Trade-Mark and have become known in Canada by reason of the sales volumes of those products.

- time in use

On the material date for assessing the grounds of opposition based on section 16 of the Act (August 1996), the Opponent had been using the trade-mark NICORETTE in Canada since 1979 and had been using the trade-mark NICOTROL since 1994. This factor is therefore equally favourable to the Opponent.

- nature of wares

While the parties' products are not identical, they seek to accomplish the same objective, namely to help consumers to stop smoking.

- nature of the trade

The Applicant admits that a portion of the parties' products is sold in pharmacies. However, the Applicant claims that the products are also found in natural food stores. I do not believe that this factor is sufficient to tip the scales in its favour.

- Degree of resemblance

The test to determine the risk of confusion remains the imperfect recollection of the average consumer [see *Canadian Schenley Distilleries Ltd. v. Canada's Manitoba Distillery Ltd. (1975)*, 25 C.P.R. (2d) 1]. The degree of resemblance between different trade-marks is assessed based on their appearance, their sound and the ideas they suggest. The marks in issue must be assessed in their entirety rather than comparing each of their components in dissected segments [see *Sealy Sleep Products Limited v. Simpson Sears Limited (1960)*, 33 C.P.R. 129 (Ex. Ct.)].

All the trade-marks in issue begin with the prefix NICO, which is highly suggestive of the wares sold in association with the marks. Although the trade-marks must be assessed in their totality, the first syllable or first word is often considered to be the most dominant element of a trade-mark [see *Conde Nast Publications Inc. v. Union des Éditions Modernes (1979)*, 46 C.P.R. (2d) 183 and *Choice Hotels International Inc. v. Hotels Confortel Inc. (1996)*, 67 C.P.R. (3d) 340]. Given this common element, it is my opinion that there is some resemblance between the Opponent's trade-marks and the Applicant's Trade-Mark.

- other factors

The Applicant produced a search report (Exhibits MG-2 through MG-4 of the affidavit of Manon Gaudreau) regarding the state of the trade-marks register in order to prove that the prefix NICO constitutes a component of several registered trade-marks or approved applications for registration in association with wares of the same type as those described in the Certificates of Registration. However, there is no evidence that these trade-marks are being used in Canada. When one eliminates the trade-marks belonging to the Opponent and the trade-marks that are related to this list, only ten (10) trade-marks remain. This number is clearly insufficient to enable me to infer that the prefix is broadly used in the marketplace in association with products aimed at reducing tobacco consumption [see *Scott Paper Co. v. Wyant & Co. (1995)*, 61 C.P.R. (3d) 546, *Welch Foods Inc. v. Del Monte Corp. (1992)*, 44 C.P.R. (3d) 205 and *T. Eaton Co. v. Viking GmbH & Co. (1998)*, 86 C.P.R. (3d) 382]. Thus, I cannot use this evidentiary element.

In light of the findings based on the evidence in the record — and in particular the fact that the Products are similar to the Opponent's products; the similarity of the trades; the reputation of the

NICORETTE product and the resemblance between the Trade-Mark and the Opponent's trade-marks — I find that the Applicant has not discharged its burden to prove, on a balance of probabilities, that there is no risk of confusion between the Trade-Marks and each of the Opponent's trade-marks [see *Coca-Cola Co. v. Sun-Rype Products Ltd, (1996), 69 C.P.R. (3d) 410*]. I also find that the Trade-Mark is not distinctive within the meaning of section 2 of the Act. I therefore allow the third, fourth and fifth grounds of opposition as well.

By virtue of the powers delegated to me by the Registrar of Trade-Marks under section 63(3) of the Act, I allow the Opponent's opposition and refuse the Applicant's application for the registration of the trade-mark NICOTINEX, the whole in accordance with section 38(8) of the Act.

MONTRÉAL, QUEBEC, THIS 8TH DAY OF AUGUST 2003.

Jean Carrière

Member of the Opposition Board