



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

Citation: 2011 TMOB 144
Date of Decision: 2011-08-15

IN THE MATTER OF OPPOSITIONS
by Cyto-Matrix Inc. to application
Nos. 1,310,888 and 1,326,736 for the
trade-marks PHYTOMATRIX and
KID'S PHYTOMATRIX in the name of
Mannatech, Incorporated

[1] On July 28, 2006, Mannatech, Incorporated (the Applicant) filed an application, No. 1,310,888, to register the trade-mark PHYTOMATRIX (the Mark) based upon proposed use of the trade-mark in Canada in association with the following wares:

Dietary and nutritional supplements, namely plant-derived vitamins, plant-derived minerals and plant-sourced nutrient phytochemicals in capsule, tablet, chewable tablet, pill, chewable pill, chewable bar or liquid form to enhance antioxidant and immune system support; herbal supplements, namely plant-derived minerals and nutrients in capsule, tablet, chewable tablet, pill, chewable pill, chewable bar or liquid form to enhance antioxidant and immune system support (the Wares).

[2] Application No. 1,310,888 claims a convention priority filing date of July 26, 2006.

[3] On December 4, 2006, the Applicant filed another application, No. 1,326,736, to register the trade-mark KID'S PHYTOMATRIX (the KID'S Mark) also based upon proposed use of the trade-mark in Canada in association with the Wares. Application No. 1,326,736 claims a convention priority filing date of November 28, 2006.

[4] Both applications were advertised for opposition purposes in the *Trade-marks Journal* of August 8, 2007.

[5] On December 24, 2007, Cyto-Matrix Inc. (the Opponent) filed a statement of opposition against each of the applications. The Applicant filed and served counter statements in which it denied the Opponent's allegations.

[6] In support of each opposition, the Opponent filed an affidavit of Loretta Masaro (its President). In support of each application, the Applicant filed affidavits of Terri Maxwell (its Senior Vice President and Chief Marketing Officer) and Caroline D'Amours (a trade-mark research-analyst employed by Thomson CompuMark). No one was cross-examined.

[7] Both parties filed written arguments and participated in an oral hearing.

Preliminary Matters regarding the Evidence

[8] The Applicant has raised a concern about Ms. Masaro's Exhibit N, which Ms. Masaro identifies as "a representative sample of an invoice for the Opponent's Wares." As noted by the Applicant, the invoice indicates that it is a sample order and that the wares are at "no cost"; in addition, the invoice is made out to Randall De Mone, who is both the affiant's husband and an employee of the Opponent. The invoice clearly does not evidence a commercial sale. It is difficult to understand why the affiant would have chosen this specific invoice as a representative invoice but given its irregularities, I am disregarding it.

[9] I am also disregarding the conclusions that Ms. Masaro has made in paragraphs 27 and 28 of her affidavit, which concern her view of the reputation acquired by the Opponent's mark and the likelihood of confusion between the parties' marks.

[10] Turning to the Maxwell affidavit, I note that Exhibit R comprises copies of affidavits of three employees of the Applicant. I am not giving these three affidavits any weight as they should have been filed separately in order to make the affiants subject to cross-examination.

Onus

[11] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (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 Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

Application No. 1,310,888

[12] I will first address the opposition with respect to application No. 1,310,888.

Section 12(1)(d) Ground of Opposition

[13] I will begin by discussing the ground of opposition that pleads that the Mark is not registrable because it is confusing with the Opponent's trade-mark CYTO-MATRIX registered under No. TMA655,440 for the following wares and services:

wares: nutritional supplements, dietary supplements, food supplements, naturopathic preparations, herbal preparations, natural health products in capsules and powders, for connective tissue support, adrenal and neuroendocrine support, liver and kidney support, immune system support, cognitive support, reproductive system support, cardiovascular support, gastrointestinal support, lipid metabolism, insulin metabolism, and detoxification; vitamins and minerals; fatty acid supplements; herbal supplements in capsules for connective tissue support, adrenal and neuroendocrine support, liver and kidney support, immune system support, cognitive support, reproductive system support, cardiovascular support, gastrointestinal support, lipid metabolism, insulin metabolism and detoxification.

services: wholesale services in the field of natural health and nutrition; customer support services in the field of natural health and nutrition.

[14] The material date for assessing the likelihood of confusion under this ground is today's date [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)].

[15] The Opponent's initial onus has been met because the CYTO-MATRIX registration is extant. (Although the Opponent has not evidenced its registration, I have exercised the Registrar's discretion to check the register in order to confirm its existence: see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats du Canada Ltée v. Menu Foods Ltd.* (1986), 11 C.P.R. (3d) 410 (T.M.O.B.).)

[16] 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 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.

[17] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 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 wares, 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, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.) and *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R. (4th) 361 (S.C.C.).]

[18] The test for confusion is one of first impression and imperfect recollection. Mr. Justice Binnie expressed the approach to be taken as follows in *Veuve Cliquot Ponsardin v. Boutiques Cliquot Ltée* (2006), 49 C.P.R. (4th) 401 (S.C.C.) at para. 20:

The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [mark] at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks. As stated by Pigeon J. in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.*, [1969] S.C.R. 192 at p. 202, 57 C.P.R. 1, 1 D.L.R. (3d) 462:

It is no doubt true that if one examines both marks carefully, he will readily distinguish them. However, this is not the basis on which one should decide whether there is any likelihood of confusion.

. . . the marks will not normally be seen side by side and [the Court must] guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it is a new or associated mark of the proprietor of the former mark.

(Citing in part *Halsbury's Laws of England*, 3rd ed., vol. 38, para. 989, at p. 590.)

inherent distinctiveness of the marks, the extent to which each mark has become known, and the length of time the marks have been in use

[19] Both marks have some inherent distinctiveness.

[20] The Opponent uses CYTO-MATRIX as a house mark, i.e. it appears on various products that also display another trade-mark [Exhibits E through I; Masaro affidavit]. Although the house mark appears in a design format, the design version also qualifies as use of the word mark CYTO-MATRIX.

[21] Ms. Masaro attests that the Opponent, an Ontarian corporation, began use of CYTO-MATRIX in August 2003 and that its use has been continuous. She provides labels for 5 different CYTO-MATRIX products, namely various “vegetarian capsules” including some that are identified as multi-vitamin and mineral supplements [Exhibits E - I]. She states that sales of wares bearing the CYTO-MATRIX mark exceed \$280,000 annually [paragraphs 15 through 19, Masaro affidavit]. In addition, she states that the CYTO-MATRIX mark has appeared on various promotional wares such as Product Guides (of which approximately 5000 copies have been distributed to naturopathic doctors as well as chiropractic and medical doctors) and brochures [Exhibits K and L]. Since 2003, tens of thousands of dollars have been spent annually on advertising and promoting the Opponent’s wares in association with its CYTO-MATRIX mark. Copies of pages of the Opponent’s website, business cards, letterhead, a flyer and a magazine advertisement have been provided, each of which displays the CYTO-MATRIX trade-mark. [Exhibits A, B, C, J, M and paragraphs 21-24, Masaro affidavit]

[22] At the oral hearing, the Applicant’s agent submitted that there are a number of lacunae in Ms. Masaro’s evidence. While I agree that her evidence could have been more specific and better substantiated, I do not consider any of these lacunae to be fatal. In particular, I confirm that the

evidence satisfies me that CYTO-MATRIX has been used and promoted in Canada in association with at least some of the Opponent's registered wares and services since before the filing of the Applicant's application.

[23] Ms. Maxwell attests that the Applicant, a Texan corporation, began using PHYTOMATRIX in around November 2007, as the mark for a specific multivitamin mineral supplement [paragraphs 8 and 10, Exhibit J, Maxwell affidavit]. At paragraph 7, Ms. Maxwell describes the PHYTOMATRIX caplets as a revolutionary new supplement, "...the nutrition industry's first supplement containing standardized levels of natural vitamin complexes, plant-sourced minerals, and standardized phytochemicals (which is the idea underlying the Mark, since the prefix 'phyto-' generally means 'pertaining to plants')."

[24] Ms. Maxwell attests that sales of PHYTOMATRIX wares in Canada exceeded \$100,000 in November-December 2007; \$500,000 in 2008; and \$100,000 in January-February 2009. The Mark is advertised through print media, online publications and website advertising [paragraphs 13-15, Exhibits L-N, Maxwell affidavit]. The Applicant has spent the following amounts on advertising PHYTOMATRIX wares in Canada: in 2007 - \$273; in 2008 – in excess of \$200,000; in 2009 – in excess of \$50,000 [paragraph 16, Maxwell affidavit].

the nature of the wares, services, business and trade

[25] When considering the wares, services and trades of the parties, it is the statement of wares or services in the parties' trade-mark application and registration that govern in respect of the issue of confusion arising under s. 12(1)(d) [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Dale Bohna* (1984), 58 C.P.R. (3d) 381 (F.C.A.)].

[26] Ms. Maxwell attests that the Applicant "develops innovative, high-quality, proprietary, nutritional supplements, skin care solutions and weight management products that are sold under various names in a number of jurisdictions". The Applicant's "products are focused on impacting optimal health and wellness and are based on polysaccharide technology." It appears that the Applicant displays the house mark MANNATECH on its various wares, in addition to the specific product's mark.

[27] The Applicant's "products are primarily marketed to consumers through network marketing." As I understand it, the Applicant sells its wares to individuals whom it classifies as either Associates or Members; Members are entitled to purchase products for personal consumption only, whereas Associates are independent distributors who are entitled to resell the Applicant's products to other consumers. Associates earn money both through their own sales and through their establishment of a downline sales organization comprised of other Associates/Members. The Applicant's wares are purchased by its Members and Associates through orders placed with the Applicant by means of the Applicant's website, or by telephone, fax or mail.

[28] The Applicant's Associates are permitted to display/sell the Applicant's wares in non-retail establishments, such as beauty salons, health clinics, spas, medical offices, dental offices and private clubs. The PHYTOMATRIX wares are also promoted via consumer promotions, in-person demonstrations and face-to-face promotions. As a result of the Applicant's specific business model, many of the promotional activities are undertaken through the personal promotional efforts of the Applicant's Associates.

[29] Ms. Masaro attests that "the Opponent operates a production centre which specializes in the development of vegetarian capsules designed to naturally improve health and wellness." The Opponent retails its capsules through professionals such as naturopathic doctors, licensed medical doctors and chiropractors; the capsules are dispensed through clinics or pharmacies. It appears that the professionals who distribute the Opponent's wares order such wares by means of the Opponent's website or by telephone or fax.

[30] I can conclude that there is a potential overlap between the channels of trade of the parties' wares based on the fact that the wares overlap, i.e. both parties sell dietary and nutritional supplements in capsule form. Moreover, there is evidence that the channels of trade do overlap in that both parties' wares are sold through health clinics and medical offices. Even though at present the Applicant uses network marketing to sell its wares, this does not preclude its wares from being sold to the ultimate consumer through the same outlets as those employed by the Applicant. I further note that the statements of wares in the Applicant's application and the Opponent's registration do not impose any restriction on either party's channels of trade. [See

Cartier Men's Shops Ltd. v. Cartier Inc. (1981), 58 C.P.R. (2d) 68 (F.C.T.D.) at 73; *Eminence S.A. v. Registrar of Trade-marks* (1977), 39 C.P.R. (2d) 40 (F.C.T.D.) at 43.] In addition, I note that there is no evidence that either party's wares are required by law to be sold by prescription.

degree of resemblance between the marks

[31] The parties take divergent views on the degree of resemblance between the marks. The Applicant submits that "there are differences between the marks in terms of appearance, sound and idea suggested, by means of which they may be distinguished." In its written argument, the Applicant refers to PHYTO meaning "pertaining to plants" and CYTO being commonly understood to mean "to do with or relating to cells". However, "phyto" and "cyto" are not ordinary, everyday words and I am not prepared to assume that the meanings cited by the Applicant are commonly known to the average Canadian consumer. In any event, I prefer the Opponent's position that the marks are strikingly similar, differing by only the first letter or two. The marks are very similar in appearance and sound and I am not of the view that the typical consumer would distinguish the marks by reason of the ideas suggested. Instead, I agree with the Opponent's statement that "the average consumer would either not know the meaning of the two prefixes, or would not be able to distinguish the meaning between them", with the result "that the ideas suggested by the words CYTO-MATRIX and PHYTOMATRIX are, for all practical purposes, the same."

other surrounding circumstances

[32] Although Ms. Maxwell has stated that she is not familiar with any instances of confusion between the parties' wares, the business model currently employed by the Applicant might explain this. In any event, it is of course not necessary for the Opponent to evidence confusion in order for me to find that there is a likelihood of confusion.

[33] By means of Ms. D'Amours' affidavit, the Applicant has provided the results of a search conducted of the Canadian Trade-marks Register directed to the suffix MATRIX associated with the wares listed in the registration for CYTO-MATRIX. In its written argument, at paragraph 11, the Applicant has summarized such evidence as follows:

...Ms. D'Amours' evidence demonstrates that the MATRIX component has commonly been adopted and used with nutritional supplements and related products by third parties. In particular, Ms. D'Amours' evidence demonstrates that there are a number of third party registrations on the Trade-marks Register that contain the component "MATRIX" for use in association with nutritional supplements and similar such wares; such third party registrations include those for GEOMATRIX (Reg. No. 369,959), PROMATRIX (Reg. No. 545,591), PROMATRIX PERFECTING HUMAN PERFORMANCE (Reg. No. 537,680), IntelliMatrix Design (Reg. No. 522,343) and SMATRIX (Reg. No. 550,003). Ms. D'Amours' evidence supports the position that customers are accustomed to seeing such "MATRIX" marks used in association with such products. Ms. D'Amours' evidence establishes that the MATRIX component is also a common element in third party trade-names, as well as domain names.

[34] The Applicant then makes the following argument, at paragraph 30 of its written argument:

...Where there are a number of relevant registrations and applications, the state of the register evidence will allow inferences about the state of the marketplace to be drawn. Since there are a number of registrations and applications that contain the "MATRIX" component, this suggests that the "MATRIX component is a common feature in the trade. As a result of this, consumers are fairly accustomed to seeing the "MATRIX" components and will pay more attention to the other features of the marks and the related packaging.

[35] I will first comment that, contrary to the Applicant's submission, the related packaging is not relevant to the issue at hand. My second comment is that it is well established that state of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]

[36] The Applicant's own summary of its evidence in its written argument refers directly to only 5 registered marks, which is too few to draw any inference about the state of the marketplace. At the oral hearing, the Applicant's agent referred me to more trade-marks located in the search that she considered relevant. Of the registered trade-marks, there appear to be at

most eight parties owning MATRIX suffix marks for relevant wares. I will not discuss these marks in detail for the reasons set out below.

[37] The Opponent has addressed Ms. D'Amours' evidence in its written argument at pages 7-8, where it points out that the "Thompson Compumark Trade-mark Dilution Report uses a Grouping System technique which places similar marks in the same groups"; Group One being the most similar and Group Five the least. Groups One and Two of the search provided contain no entries. Group Three contains only three marks, namely the Opponent's CYTO-MATRIX mark and the Applicant's PHYTOMATRIX and KID'S PHYTOMATRIX marks. It is only when one gets to Groups Four and Five that third party marks appear.

[38] It is the Opponent's contention that none of the other entries located in the search are as similar to PHYTOMATRIX as is CYTO-MATRIX, and I agree. Even if the searches conducted by Ms. D'Amours established that MATRIX is a common formative for marks, business names or domain names in the parties' general field, that would not preclude there from being a likelihood of confusion between PHYTOMATRIX and CYTO-MATRIX given the high degree of resemblance between those two marks as a whole. To put it another way, the Applicant has not chosen a "matrix" mark that is sufficiently distinguished from the Opponent's "matrix" mark.

[39] As another surrounding circumstance, the Opponent has noted the evidence from Ms. Masaro concerning the Opponent's use of the trade-mark PHYTO-PHENOLS since August 2003 for one of its products, with annual sales of \$30,000. Although this is of some interest, I do not consider it to be a significant surrounding circumstance.

conclusion

[40] Having considered all of the surrounding circumstances, I find that the Applicant has not established, on a balance of probabilities, that confusion is not likely between PHYTOMATRIX and CYTO-MATRIX. I reach this conclusion primarily based on the high degree of resemblance between the marks and the fact that they are associated with very similar wares. As alluded to earlier, the test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees or hears the mark PHYTOMATRIX at a time when he or she has no more than an imperfect recollection of the prior mark CYTO-MATRIX, and does not pause to

give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks. The Applicant's submission, at paragraph 32 of its written argument, that its target consumers are health conscious individuals with a keen interest in improving their health through dietary and nutritional supplements who would scrutinize such products before making their purchase decisions, is not in line with the relevant test. I note that the Supreme Court of Canada has recently affirmed that the test is one of "first impression" and stated that what is relevant is the attitude of the consumer when he or she first encounters the mark in the marketplace, without consideration of the research, inquiries or care that may subsequently be taken [see *Masterpiece, supra*, paras. 67-74].

[41] The s. 12(1)(d) ground of opposition therefore succeeds.

Section 16(3)(a) Ground of Opposition

[42] The Opponent has also pleaded that PHYTOMATRIX is confusing with its trade-mark CYTO-MATRIX under s. 16 of the Act. The assessment of this ground of opposition differs from that under s. 12(1)(d) in that the material date under s. 16(3)(a) is the convention priority filing date of the Applicant's application. In order to meet its initial burden under s. 16, the Opponent must provide evidence that it was using CYTO-MATRIX in Canada prior to July 26, 2006 and had not abandoned such mark as of August 8, 2007. Ms. Masaro's evidence satisfies the Opponent's initial burden.

[43] Although the s. 16 material date is approximately five years earlier than today's date, the different date does not result in a different outcome. Instead, the Opponent's position is stronger as of the earlier material date for two reasons: the Applicant had not begun using its Mark in Canada as of the earlier material date; and much of the state of the register/marketplace evidence introduced by Ms. D'Amours postdates the earlier material date.

[44] Therefore, based on the Opponent's prior use of CYTO-MATRIX, the s. 16(3)(a) ground succeeds for reasons similar to those set out under my discussion of the s. 12(1)(d) ground.

Remaining Grounds of Opposition

[45] Having already refused the application under two grounds, I will not discuss the remaining grounds of opposition.

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[46] An analysis of the likelihood of confusion between KID'S PHYTOMATRIX and CYTOMATRIX under s. 12(1)(d) also favours the Opponent for reasons that are largely similar to those discussed with respect to the s. 12(1)(d) ground for PHYTOMATRIX. The main differences between the surrounding circumstances in the two cases are i) the addition of the prefix KID'S to the Applicant's mark and ii) the lack of any evidence that the Applicant has used or promoted the KID'S Mark. Given that KID'S merely describes that this is a version of the PHYTOMATRIX wares that are specially formulated for children, the addition of KID'S does not serve to prevent confusion as to the source of the parties' wares. The lack of use and promotion of the KID'S Mark means that the length of time that the parties' marks have been used and the extent to which they have become known clearly favour the Opponent. Therefore, for reasons similar to those set out with respect to application No. 1,310,888, I find that the Applicant has not met its legal burden under s. 12(1)(d) or s. 16(3)(a), resulting in those grounds of opposition succeeding.

Disposition

[47] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse both applications pursuant to s. 38(8) of the Act.

Jill W. Bradbury
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office