IN THE MATTER OF AN OPPOSITION by Cumberland Drugs (Merivale) Ltd. to application No. 700,063 for the trade-mark VEGESIL filed by Flora Distributors Ltd., now standing in the name of Flora Manufacturing and Distributing Ltd.

On March 2, 1992, Flora Distributors Ltd. filed an application to register the trade-mark VEGESIL based upon proposed use of the trade-mark in Canada in association with "nutritional supplements, namely capsules, containing powdered vegetal silica in its water-soluble form extracted from the Spring Horsetail plant, to be sold to health food stores, supermarkets and alternative health professionals only". During the opposition, Flora Manufacturing and Distributing Ltd. became the owner of record of the present application.

The present application was advertised for opposition purposes in the Trade-marks Journal of November 25, 1992 and the opponent, Cumberland Drugs (Merivale) Ltd., filed a statement of opposition on November 30, 1992 in which it alleged that the applicant's application is not in compliance with Section 30 of the ***Trade-marks Act***, that the trade-mark VEGESIL is not distinctive, and that the applicant is not the person entitled to its registration, in that the trade-mark VEGESIL is confusing with the opponent's registered trade-mark VEGACIL, registration No. 220,359, which has been previously used in Canada by the opponent and its predecessor-in-title, Morrie Neiss, in association with the same class of wares as are covered in the present application. Further, the opponent alleged that the applicant's mark is not a trade-mark, contrary to Section 2 of the ***Act***, and that the mark VEGESIL is clearly descriptive or deceptively misdescriptive of the character or quality of the wares in association with which it is proposed to be used, contrary to Section 12(1)(b) of the ***Trade-marks Act***.

The opponent filed as its evidence the affidavit of Joe Bassal, Senior Vice-President of the opponent, while the applicant submitted as its evidence the affidavit of Thomas Greither, President of the applicant. As evidence in reply, the opponent filed the affidavit of Claude Marquis.

Both parties submitted written arguments and both were represented at an oral hearing. At the oral hearing, the applicant sought to rely upon evidence of the state of the register which had not been filed by it during the opposition. Having regard to the lateness of the applicant's request, and bearing in mind the opponent's objection to this evidence being adduced at this stage of the opposition, I indicated that I was not prepared to have regard to such evidence in determining the outcome of this proceeding.

While the opponent's registered trade-mark is identified as VEGASIL in its Section 30 ground and as VEGACIL in its non-distinctiveness ground, the opponent submitted a copy of its registration as an exhibit to the Bassal affidavit which confirms that the opponent's trade-mark is, in fact, VEGACIL. As the applicant does not appear to have been misled by the misspelling of the opponent's mark, I have ignored this error in determining the outcome of the present opposition. Further, the copy of registration No. 220,359 confirms that the opponent is the registered owner of the trade-mark VEGACIL and that the trade-mark was registered on April 29, 1977 in association with 'non-prescriptive laxatives'.

Despite its reliance upon its registered trade-mark in its statement of opposition, the opponent has not alleged a ground of opposition based on Section 12(1)(d) of the ***Trade-marks Act***. However, the opponent has met the burden upon it under Sections 16(5) and 17(1) of the ***Act*** in respect of its non-entitlement ground in that the Bassal affidavit establishes the opponent's prior use and non-abandonment as of the date of advertisement [November 25, 1992] of its trade-mark VEGACIL in Canada in association with non-prescription laxatives. As a result, the legal burden is upon the applicant to show that its trade-mark VEGESIL was not confusing with the opponent's trade-mark VEGACIL as of the filing date of the present application, the material date in respect of the Section 16(3)(a) ground.

In determining whether there would be a reasonable likelihood of confusion between the applicant's trade-mark VEGESIL and the opponent's trade-mark VEGACIL, the Registrar must have regard to all the surrounding circumstances including, but not limited to, those specifically enumerated in Section 6(5) of the ***Trade-marks Act***. As well, the Registrar must bear in mind that

the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks at issue as of the applicant's filing date.

Considering initially the inherent distinctiveness of the trade-marks at issue, the applicant's trade-mark VEGESIL possesses some measure of inherent distinctiveness although some consumers might perceive the trade-mark as being formed from the first syllables of the words 'vegetal silica', the main ingredient in the opponent's nutritional supplements. Likewise, the opponent's trade-mark VEGACIL possesses some measure of inherent distinctiveness when considered in its entirety as applied to non-prescription laxatives although the component VEG may suggest to some consumers that the opponent's laxatives are made from some type of vegetable fibre.

As the trade-mark VEGESIL is based upon proposed use in Canada, I assume that the trade-mark VEGESIL had not become known to any extent in this country as of March 2, 1992. Further, from the Bassal affidavit, it would appear that the opponent's trade-mark VEGACIL had only become known to a minor extent in Canada as of the material date. While Mr. Bassal has furnished some evidence relating to sales of VEGACIL non-prescription laxatives since 1976, the sales figure of $500,000. reflects relatively limited sales as of the date of Mr. Bassal's affidavit which was executed more than a year subsequent to the material date. In any event, I have concluded that both the extent to which the trade-marks at issue have become known and the length of use of the trade-marks weigh in the opponent's favour.

The applicant's nutritional supplements differ from the opponent's non-prescription laxatives although both might be characterized generally as health-related products. As for the channels of trade associated with the wares of the parties, the applicant's nutritional supplements are, according to its statement of wares, being sold only to health food stores, supermarkets and alternative health professionals. On the other hand, the opponent's laxatives have only been sold to the public through the opponent's stores although Mr. Bassal does not identify the type of stores operated by the opponent. However, in his affidavit, Mr. Greither states that it is his information and belief that the opponent operates general purpose drug stores and the opponent has neither challenged nor contradicted this evidence.

The opponent has relied upon the Marquis affidavit and paragraph 8 of the Bassal affidavit in support of its position that there could be a potential overlap in the channels of trade associated with the wares of the parties. In paragraph 8, Mr.

Bassal states the following :

> 8. For some time the opponent has contemplated offering for sale and selling its VEGACIL wares to health and beauty aid stores, pharmacies and other retailers across Canada, although such plans have to date not been finalized. Nevertheless, the sale of VEGACIL laxatives to other Canadian retailers would be a normal extension of the Opponent's current operations.

However, the opponent has used its trade-mark since 1976 and, to date, has only sold its VEGACIL laxatives through its own drug stores and in association with what appears to be its house mark CUMBERLAND Design. As a result, and having regard to the opponent's limited sales of its laxatives over more than fifteen years, I am not prepared to accord any weight to paragraph 8 of the Bassal affidavit.

In paragraph 2 of his affidavit, Claude Marquis, the opponent's Director of purchasing of private brand pharmaceuticals, states that the opponent's pharmacies and the natural food stores in which the applicant's wares are likely to be sold sell many identical products which are common to both types of businesses, including vitamins, herbal tea, cod and halibut liver oil, sea salt and natural products such as garlic oil, alfalfa, seaweed capsules and homeopathic products. However, Mr. Marquis does not assert that non-prescription laxatives are sold both in pharmacies and health food stores and I have no reason to assume that non-prescription laxatives would normally be sold in health food stores, in supermarkets, or by health professionals. In view of the above, I have concluded that there would be no overlap in the channels of trade of the parties.

The trade-marks VEGACIL and VEGESIL are similar both in appearance and sounding. Further, to the extent that the trade-marks suggest that the wares of the parties are made from a vegetable product, the marks suggest similar ideas.

In view of the above, the opponent has submitted that there would be no reasonable likelihood of confusion between the trade-marks at issue as the applicant's wares are only sold in health food stores, supermarkets and through alternative health professionals whereas the opponent's laxatives have only been sold through its drug stores and in association with its house mark CUMBERLAND Design. On the other hand, the opponent has argued that, even if the wares of the parties were not sold through the same retail outlets, the average consumer having an imperfect recollection of its trade-mark VEGACIL as applied to non-prescription laxatives, might still be confused were he to encounter the applicant's VEGESIL nutritional supplements in a health food store.

Having regard to the degree of resemblance between the trade-marks VEGACIL and VEGESIL and the fact that there is some similarity in the wares in that they are intended for human consumption and are related to our health, I am left in a state of doubt as to whether there would be a reasonable likelihood of confusion between the trade-marks at issue were the average consumer, having an imperfect recollection of the opponent's VEGACIL laxatives, to encounter the applicant's VEGESIL wares in a health food store. I am therefore obliged to resolve this doubt against the applicant as it has the burden of satisfying me that there would be no reasonable likelihood of confusion between the trade-marks at issue. As a result, the applicant is not the person entitled to registration of the trade-mark VEGESIL as applied to the wares covered in the present application in view of the provision of Section 16(3)(a) of the ***Trade-marks Act***.

In accordance with the authority delegated to me pursuant to Section 63(3) of the ***Trade-marks Act***, I refuse the applicant's application pursuant to Section 38(8) of the ***Act***.

DATED AT HULL, QUEBEC THIS 10th DAY OF MAY, 1996.

G.W.Partington,
Chairman,

Trade Marks Opposition Board.