

IN THE MATTER OF AN OPPOSITION
by Dermtek Pharmaceuticals Ltd.,
a.k.a. Dermtek Ltd.,
to application serial No. 563,746
for the trade-mark DERMATECH DESIGN
filed by Go-Jo Industries, Inc.

On August 13, 1986, the applicant Go-Jo Industries, Inc., filed an application to register the trade-mark DERMATECH DESIGN, shown below, for the wares

"general purpose lotion soap"

based on use and registration of the mark in the United States of America, and also based on proposed use in Canada. The applicant claims a priority filing date, namely March 21, 1986, based on its United States filing, pursuant to Section 34 of the Trade-Marks Act. The subject application was advertised for opposition purposes on June 29, 1988.

The opponent, Dermtek Pharmaceuticals Ltd., filed a statement of opposition on July 28, 1988, a copy of which was forwarded to the applicant on August 18, 1988. The grounds of opposition are that the applicant is not entitled to registration, pursuant to Section 16(3)(c), and that the applied for mark is not distinctive of the applicant's wares, pursuant to Section 38(2)(d), because the applied for mark is confusing with the opponent's trade names namely Dermtek Pharmaceuticals Ltd., Dermtek Limited, and Dermtek Ltd. previously used in Canada by the opponent for its business of selling "products for body and skin cleansing and treatment...of the same general class" as the applicant's wares. The opponent did not challenge the applicant's entitlement to registration pursuant to Section 16(2)(c). The applicant filed a counter statement generally denying the allegations in the statement of opposition.

As its evidence, the opponent filed the affidavit of Robert Lavoie, President of the opponent company. Mr. Lavoie was cross-

examined on his affidavit and the transcript thereof forms part of the evidence herein. The applicant did not file any evidence in support of its application. Only the opponent filed a written argument and only the opponent was represented at an oral hearing.

The opponent was incorporated in 1985, its corporate name Dermtek deriving from the running together of the words "dermatology technology". The first year after incorporation was spent on developing products. In 1986 the opponent began selling over the counter skin care and hair care products (such as medicated acne wash, under the trade-mark ACNEX, wart treatment for topical use, under the trade-mark SOLUVER, and medicated dandruff shampoo and medicated hair conditioner rinse, both under the trade-mark SEBCUR) through pharmacies. The opponent's trade-names Dermtek Ltd. and Dermtek Pharmaceuticals Ltd. appear on the back of the product containers. It appears that the opponent's products are typically sold in containers of less than 250 millilitres, for a price under ten dollars.

The opponent annually expends a relatively large portion of sales revenue, about 25%, on promoting its products to pharmacists and dermatologists. The opponent does not advertise its products directly to the ultimate consumer; rather, the consumer is made aware of the opponent's products through visits to his physician or through visits to the pharmacy. Sales revenues, to pharmaceutical wholesalers across Canada for resale to pharmacies, were about \$130,000, \$365,000 and \$540,000, for the years 1986 to 1988, respectively.

I accept the opponent's uncontradicted evidence that the applicant's lotion soap would also be sold to the ultimate consumer through pharmacies - see Mr. Lavoie's transcript of cross-examination:

With respect to the ground of opposition pursuant to Section 38(2) (d), the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada, and the material time for considering the circumstances respecting the issue of distinctiveness is as of the filing of the opposition - see Faber-Castell Canada Inc. v. Dixon Ticonderoga Inc. (re trade-mark application serial No. 524,979 for Stripe Design, January 31, 1992, yet unreported, TMOB). The presence of a legal burden means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against that party. There

is, however, an evidentiary burden on the opponent to adduce at

least some evidence in support of the facts underlying its grounds of opposition - see John Labatt Ltd. v. Molson Companies Ltd. (1990) 30 C.P.R.(3d) 293 (F.C.T.D.).

Mr. Lavoie's evidence supports the position taken by the opponent in the statement of opposition namely that the applied for mark DERMATECH DESIGN is not distinctive of the applicant's wares namely lotion soap. The opponent's trade name Dermtek Ltd. was known to some extent to the general public, and to a greater extent to the pharmaceutical trade, at the material time July 28, 1988 - the date of filing the statement of opposition. The opponent's trade name is inherently distinctive and was in use, and promoted by the opponent, for about two years prior to the material date. There is no evidence that the applied for mark was in use prior to the material date. I accept the opponent's uncontradicted evidence that the parties' wares are similiar, belonging to the same general class of skin care products, and that the parties' channels of trade are overlapping in that the parties' wares would be found in the same sections of retail pharmacy outlets - see paragraph 13 of Mr. Lavoie's affidavit:

There is a close resemblance both visually and aurally between the applied for mark DERMATECH DESIGN and the distinctive element of the opponent's trade name Dermtek Ltd.. The evidence also indicates that the opponent is known by the trade name Dermtek, and although not relied upon in the statement of opposition, such evidence is relevant as a surrounding circumstance.

Where it is likely the public will assume the applicant's goods are approved, licensed, or sponsored by the opponent so that a state of doubt and uncertainty exists in the minds of the purchasing public, it follows that the trade-marks are confusing: see Glen-Warren Productions Ltd. v. Gertex Hosiery Ltd. (1990) 29 C.P.R. (3d) 7 at 12 (F.C.T.D.). The same principle applies to a trade-mark and a trade name.

Considering the opponent's evidence, and not having the benefit of argument or evidence from the applicant, I conclude that the applied for mark DERMATECH DESIGN was not distinctive of, or adapted to distinguish, the applicant's wares at the material date July 28, 1988. If I am wrong in this, then I find that the applicant has not met its legal onus to counter the contention that at the material date July 28, 1988, it was likely that the purchasing public, and more particularly individuals in the pharmaceutical trade, already familiar with the opponent's trade name Dermtek Ltd., would assume that the applicant's wares sold under the trade-mark DERMATECH DESIGN were approved or licensed by the opponent. It follows that the applied for mark is not distinctive of, or adapted to distinguish, the applicant's wares.

As the opponent is successful on the ground of opposition pursuant to Section 38(2)(d), it is not necessary to consider the

remaining ground pursuant to Section 16(3)(c) at the earlier

material date March 21, 1986.

In view of the above, the applicant's application is refused.

DATED AT HULL, QUEBEC, THIS 29th DAY OF May, 1992.

Myer Herzig,
Member,
Trade-marks Opposition Board