IN THE MATTER OF AN OPPOSITION by Warner-Lambert Company to application No. 747,942 for the trade-mark ARCTIC ICE filed by Lander Co. Canada Limited

On February 22, 1994, the applicant, Lander Co. Canada Limited, filed an application to register the trade-mark ARCTIC ICE based on proposed use in Canada with "mouthwash and rinses." The application was advertised for opposition purposes on April 17, 1996.

The opponent, Warner-Lambert Company, filed a statement of opposition on June 6, 1996, a copy of which was forwarded to the applicant on June 28, 1996. A revised statement of opposition was filed on December 8, 1998 for which the opponent was granted leave pursuant to Rule 40 of the Trade-marks Regulations on February 8, 1999.

The first ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act because it is confusing with the trademarks ARCTIC FRESH and ARCTIC MINT registered under Nos. 433,778 and 437,367 for "mouthwash" and with the trade-mark MENTHE ARCTIQUE registered under No. 502,926 for "chewing gum." The second ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the trade-marks ARCTIC FRESH and ARCTIC MINT previously used and made known in Canada by the opponent in association with mouthwash. The third ground is that the applied for trade-mark is not distinctive because it is confusing with the opponent's trade-marks ARCTIC FRESH and ARCTIC MINT.

The applicant filed and served a counter statement. As its evidence, the opponent submitted an affidavit of Barry Wallace Turner dated November 13, 1996. Mr. Turner was cross-examined on his affidavit and the transcript of that cross-examination and the replies to undertakings given during the cross-examination form part of the record of this proceeding. As its evidence, the applicant submitted an affidavit of Lorne Jay Zakaib dated January 13, 1998. As evidence in reply, the opponent submitted an affidavit of Bhupinder Randhawa dated April 17, 1998. The opponent was subsequently granted leave pursuant to Rule 44(1) to file and serve a certified copy of its registration No. 502,926 for the trade-mark MENTHE ARCTIQUE. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

As a preliminary matter, the applicant sought to rely on submissions made during the initial examination of its application before the Examination Section of the Trade-marks Office as evidence in this proceeding. However, the applicant failed to evidence those submissions in this opposition and did not provide a copy to the opponent. Thus, they do not form evidence in this proceeding nor are they part of the record.

The Opponent's Evidence

In his affidavit, Mr. Turner identifies himself as a senior manager responsible for the Consumer Health Care Operations of Warner-Lambert Canada Inc. ("Warner Canada"), an indirectly wholly-owned subsidiary of the opponent, Warner-Lambert Company ("Warner U.S."). Mr. Turner states that Warner Canada uses the trade-marks ARCTIC FRESH and ARCTIC MINT under license from Warner U.S.

Exhibit C-1 to Mr. Turner's affidavit comprises front and back photographs of ARCTIC FRESH and ARCTIC MINT bottles sold in Canada since January 26, 1994. Exhibit C-2 comprises modified product labels for those two products which were adopted in March 1996 (for ARCTIC FRESH) and in April 1996 (for ARCTIC MINT). The front photographs shown in Exhibit C-1 and the front labels shown in Exhibit C-2 feature the underlined word LISTERMINT followed by an asterisk with the words ARCTIC FRESH or ARCTIC MINT appearing below in larger letters with slightly different coloring and type style and also followed by an asterisk. The back labels include the following legend at the bottom:

> * [®]TM/MC Warner-Lambert Co, mfr. by/fab par Warner-Lambert Canada Inc. for/pour Warner Wellcome, lic. use/sous lic., Scarborough, ONT, M1L 2N3

Although the back photographs shown in Exhibit C-1 are difficult to read, they appear to include the same legend.

According to Mr. Turner, sales of ARCTIC FRESH and ARCTIC MINT mouthwash since January 1994 totalled in excess of \$6.7 million which represents sales of about 760,000 bottles per year. He also states that Warner Canada spent more than \$350,000 on cooperative advertising of its ARCTIC FRESH and ARCTIC MINT products. Sales were made to drug wholesalers, grocery wholesalers and sundry wholesalers who in turn sold the products to retailers such as grocery stores, convenience stores, department stores and the like.

The cross-examination of Mr. Turner on his affidavit took place on June 6, 1997. Mr. Turner was asked about the reference to Warner-Wellcome appearing on the product labels comprising Exhibit C-2 to his affidavit. He indicated that Warner-Wellcome was a partnership of Warner Canada and another company, initially Wellcome Pharmaceuticals and more recently Glaxo Pharmaceuticals (see page 41 of the Turner transcript). He further indicated that the partnership marketed and distributed products of both Warner Canada and the other partner company (including ARCTIC FRESH and ARCTIC MINT) although it did not manufacture any products (see page 80 of the Turner transcript). Warner Canada manufactured the products and sold them to Warner-Wellcome who in turn sold them to wholesalers and retailers (see page 81 of the Turner transcript).

According to Mr. Turner, two weeks before the cross-examination, the partnership Warner-Wellcome ceased to exist. At that time, it became a division of Warner Canada. In reply to an undertaking, Mr. Turner provided photocopies of eight representative product invoices for the period January 1994 to July 1994. All but the first of those eight invoices show Warner-Wellcome as the entity providing the ARCTIC FRESH and ARCTIC MINT products to customers. Mr. Turner also provided photocopies of three invoices from November 1997 which show the source of the wares as Warner-Lambert Consumer Healthcare - Division of/de Warner-Lambert Canada Inc.

The Applicant's Evidence

In his affidavit, Mr. Zakaib states that he photocopied a number of trade-mark registrations from the file records of the Trade-marks Office and appended the copies as Schedule A to his affidavit. Included in those copies are ten or so registrations for trade-marks including the word MINT registered for mouthwash, dentifrices or the like. Mr. Zakaib also located a number of third party trade-marks including the word FRESH which were registered for a wide variety of what could be characterized as personal care products. Mr. Zakaib's schedule also includes a list of pairs or groups of registered trade-marks which appear to have no relevance to these proceedings. Finally, Mr. Zakaib's schedule is noteworthy for the fact that it does not include any third party marks including the word ARCTIC for any products, much less mouthwash, rinses or dentifrices.

The Opponent's Reply Evidence

In his affidavit, Mr. Randhawa attests to the particulars of a telephone conversation he had with someone who appeared to be an employee of Yves Rocher Canada Ltd. regarding the products sold under that company's registered trade-mark ANTARTIC. Mr. Randhawa's statements about that conversation comprise inadmissible hearsay.

The Grounds of Opposition

As for the first ground of opposition, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in <u>Conde Nast Publications Inc.</u> v. <u>Canadian Federation of Independent Grocers</u> (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the applicant's proposed mark ARCTIC ICE is inherently distinctive although it is at least somewhat suggestive of mouthwash and rinses. There is no evidence of use of the applicant's mark and I must therefore conclude that it has not become known at all in Canada.

The opponent's registered mark MENTHE ARCTIQUE is inherently distinctive. However, it does suggest that the opponent's chewing gum has a cool, minty flavor. Thus, the mark is not inherently strong. Since there is no evidence of use of that mark, I must conclude that it has not become known at all in Canada.

As for the opponent's other two registered marks, they, too, are inherently distinctive. However, ARCTIC FRESH suggests that the opponent's mouthwash will give the consumer cool, fresh breath and ARCTIC MINT suggests that the mouthwash will have a cool, minty flavor. Thus, neither mark is inherently strong.

As for the extent to which the trade-marks ARCTIC FRESH and ARCTIC MINT have become known, the applicant submitted that no use of those marks has been shown. It is the applicant's contention that the evidence only shows use of the marks LISTERMINT ARCTIC FRESH and LISTERMINT ARCTIC MINT. However, as noted above, the labels shown in the exhibits to the Turner affidavit show the underlined mark LISTERMINT appearing above the mark ARCTIC FRESH or ARCTIC MINT in smaller letters with a slightly different type style and coloring. Furthermore, both marks are followed by an asterisk which separately identifies them as trade-marks.

As a matter of first impression, consumers seeing the opponent's product labels would likely view ARCTIC FRESH and ARCTIC MINT as being used as separate trade-marks notwithstanding their appearance with the mark LISTERMINT: see <u>Nightingale Interloc Ltd.</u> v. <u>Prodesign Ltd.</u> (1984), 2 C.P.R.(3d) 535 at 538 (T.M.O.B.). In fact, given the prior use of the mark LISTERMINT alone, it is likely that consumers would view LISTERMINT as akin to a house mark and the marks ARCTIC FRESH and ARCTIC MINT as specific product marks within the LISTERMINT family. Thus, use of the opponent's product labels constitutes use of the trade-marks ARCTIC FRESH and ARCTIC MINT.

Although the opponent's evidence shows use of the trade-marks ARCTIC FRESH and ARCTIC MINT, it does not appear to establish, for the most part, that the use was by the opponent or that it enured to the opponent's benefit through the licensing provisions of Section 50 of the Act. The evidence establishes that Warner Canada manufactured ARCTIC FRESH and ARCTIC MINT mouthwash under its exclusive license from Warner U.S. However, prior to mid-1997, Warner Canada did not sell those products to distributors and retailers. Rather, it sold them to the partnership Warner-Wellcome. Warner-Wellcome then marketed and distributed the ARCTIC FRESH and ARCTIC MINT products.

From January 1994 to mid-1997, invoices to distributors and retailers showed Warner-Wellcome as the source of the goods. The product labels used during that period carried a message that stated that Warner U.S. owned the trade-marks and that Warner Canada manufactured the products for Warner-Wellcome under license. The message to the public during that three and a half year period was that the source of the goods was Warner-Wellcome, not Warner Canada or Warner U.S. Since, on the evidence, Warner-Wellcome was not licensed to use the marks ARCTIC FRESH and ARCTIC MINT, its use of the marks was its use alone and not that of Warner Canada or Warner U.S.

In view of the above, I am unable to conclude that the two marks ARCTIC FRESH and ARCTIC MINT have acquired any measurable reputation in the hands of the opponent. Rather, the evidence points to a three and a half year period during which there was fairly extensive use of the marks by an unlicensed party, Warner-Wellcome. The November 1997 invoices included in the replies to undertakings given during the Turner cross-examination evidence sales of several cases of product emanating from Warner Canada although no evidence of the new product label was provided. There is no evidence of sales after November 1997 although presumably any such sales continued to be made by Warner Canada. As for the length of time the marks have been in use, as discussed, the opponent has failed to evidence use of its marks ARCTIC FRESH and ARCTIC MINT by itself or a licensee from January 1994 to mid-1997. There is no evidence of use of the opponent's mark MENTHE ARCTIQUE. Thus, this factor does not weigh in either party's favor in this case.

As for Sections 6(5)(c) and 6(5)(d) of the Act, as conceded by the applicant, the wares and trades of the parties are the same in respect of the marks ARCTIC FRESH and ARCTIC MINT. As for the mark MENTHE ARCTIQUE, the opponent's wares of chewing gum differ from the applicant's wares. Presumably the trades would also differ. Although the wares could be sold through the same retail outlets, they would not likely be sold together.

As for Section 6(5)(e) of the Act, there is a fairly high degree of resemblance between the applicant's mark ARCTIC ICE and the opponent's marks ARCTIC FRESH and ARCTIC MINT in all respects. The first and more inherently distinctive component of the opponent's two marks is identical to the first component of the applicant's mark. The ideas suggested by all three marks are similar. Given the structure of the opponent's mark MENTHE ARCTIQUE, the degree of resemblance with the applicant's mark is slightly less.

As an additional surrounding circumstance, the applicant has relied on the state of the register evidence in the Zakaib affidavit. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see the opposition decision in <u>Ports International Ltd.</u> v. <u>Dunlop Ltd.</u> (1992), 41 C.P.R.(3d) 432 and the decision in <u>Del Monte Corporation v. Welch Foods Inc.</u> (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). Also of note is the decision in <u>Kellogg Salada Canada Inc.</u> v. <u>Maximum Nutrition Ltd.</u> (1992), 43 C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

As discussed, the Zakaib affidavit evidences a number of third party trade-marks incorporating the word MINT or FRESH for personal care products. This is not surprising

and merely underscores the inherent weakness of these two words as components of the opponent's marks. It does nothing, however, to advance the applicant's case. In fact, as noted above, the Zakaib affidavit actually strengthens the opponent's case since Mr. Zakaib was unable to locate any third party trade-marks incorporating the word ARCTIC for wares similar to those at issue.

As another surrounding circumstance, I have considered that the evidence points to Warner-Wellcome as the perceived source of ARCTIC FRESH and ARCTIC MINT mouthwash for the period January 1994 to mid-1997. Given the minimal evidence of use of those marks by the opponent through its licensee Warner Canada either before or after that period, the fairly extensive use of those marks by Warner-Wellcome undermines the distinctiveness of the marks in the hands of the opponent. On the evidence, any reputation associated with the marks as of the material time still rests with Warner-Wellcome. Thus, small differences between the applicant's mark and those of the opponent will suffice to distinguish it.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the extensive third party, unlicensed use of the marks ARCTIC FRESH and ARCTIC MINT by Warner-Wellcome and notwithstanding the resemblance between the wares, trades and marks of the parties, I find that the applicant's trade-mark ARCTIC ICE is not confusing with the registered marks ARCTIC FRESH and ARCTIC MINT. The first ground of opposition is therefore unsuccessful. Had the January 1994 to mid-1997 use of the trademarks ARCTIC FRESH and ARCTIC MINT been shown to have been by Warner Canada or Warner U.S. or if the opponent had evidenced significant post-1997 use of the marks by itself or Warner Canada, the first ground would likely have been successful.

As for the opponent's third registered mark, in view of the differences between the wares and trades of the parties, the absence of any reputation for the opponent's mark and the lower degree of resemblance with the applicant's mark, I find that the applicant's mark is not confusing with the registered mark MENTHE ARCTIQUE. That aspect of the first ground of opposition is therefore also unsuccessful.

As for the second ground of opposition, there was an initial burden on the opponent to evidence use or making known of the trade-mark ARCTIC FRESH or ARCTIC MINT prior to the applicant's filing date of February 22, 1994. As discussed, given the product labelling used prior to mid-1997 by Warner Canada and the manner of invoicing sales, the opponent has failed to evidence use of its two marks by itself or its licensee prior to the applicant's filing date. Likewise, the opponent failed to evidence making known of its marks as of or prior to that date. Thus, the opponent has failed to meet its initial evidential burden and the second ground of opposition is unsuccessful.

As for the third ground of opposition, 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: see <u>Muffin Houses Incorporated v. The Muffin House Bakery Ltd.</u> (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - June 6, 1996): see <u>Re Andres Wines Ltd. and E. & J. Gallo Winery</u> (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and <u>Park Avenue Furniture Corporation</u> v. <u>Wickes/Simmons Bedding Ltd.</u> (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.).

The evidence shows that, as of June 6, 1996, use of the trade-marks ARCTIC FRESH and ARCTIC MINT had been by Warner-Wellcome rather than by the opponent or its licensee Warner Canada. Thus, as of that date, the opponent could not assert that its marks were distinctive of its wares given the fairly extensive use of those marks by an apparently unlicensed party. Given that fact, and given that the applicant's mark differs (albeit slightly) from the two marks ARCTIC FRESH and ARCTIC MINT, the applicant has shown that its mark is adapted to distinguish its wares from those of the opponent. Thus, the third ground is also unsuccessful. In view of the above, and pursuant to the authority delegated to me under Section 63(3)

of the Act, I reject the opponent's opposition.

DATED AT HULL, QUEBEC, THIS 17th DAY OF OCTOBER, 2000.

David J. Martin, Member, Trade Marks Opposition Board.