

IN THE MATTER OF AN OPPOSITION
by Santana Inc. to application No. 646,110
for the mark AQUATECK filed by Marvin
Krasnow Enterprises Ltd.

On December 5, 1989, the applicant, Marvin Krasnow Enterprises Ltd., filed an application to register the trade-mark AQUATECK based on intended use in Canada. The application as filed was later amended to specify the wares as follows:

footwear namely, men's, women's, and children's boots, rubbers,
shoes, sandals and slippers.

The application was advertised for opposition purposes on November 14, 1990, and opposed by Santana Inc. on December 14, 1990. A copy of the statement of opposition was forwarded to the applicant on February 6, 1991. The opponent was subsequently denied leave to amend its statement of opposition: see the Office ruling dated February 11, 1992.

Included among the grounds of opposition are (i) that the applied for mark is not registrable because it is confusing with the trade-mark AQUATHERM, (ii) that the applicant is not entitled to registration because of the opponent's prior use of the mark AQUATHERM in association with boots, shoes and rubbers, (iii) that the applied for mark AQUATECK is not distinctive of the applicant in view of the opponent's prior use of the mark AQUATHERM.

The applicant was granted a retroactive extension of time to file and serve a counter statement.

The opponent's evidence in chief consists of the affidavit of Pierre Milot (sworn September 12, 1991), controller of the opponent company. The applicant's evidence consists of the affidavits of Marvin Krasnow, President of the applicant company, and France Coulombe, a secretary. The Coulombe affidavit merely serves to introduce into evidence the file wrapper concerning the trade-mark application which led to regn. No. 371,260 for the mark AQUATHERM mentioned above. The opponent filed a second affidavit sworn by Pierre Milot (on December 11, 1991) as its evidence in reply. None of the affiants were cross-examined on their testimony. Both parties filed a written argument, however, an oral hearing was not conducted.

I will first consider the ground of opposition denoted by (ii) above, which is based on Section 16 of the Trade-marks Act. At the time when the opposition commenced, the opponent Santana was relying on its use of the mark AQUATHERM in its capacity as a registered user of the mark AQUATHERM (regn. No. 371,260) owned by 154297 Canada Inc. The opponent Santana

and 154297 Canada Inc. are both wholly owned subsidiaries of a third company namely, Taurus Footwear Inc. With the abolition of the registered user provisions of the Trade-marks Act, I consider that the opponent's status is as a licensee of the mark. However, it is doubtful that the opponent Santana can rely on its licensed use of the mark AQUATHERM to support its ground of opposition based on Section 16. In this regard, it would appear that Section 16 requires the opponent to rely on use of its own mark and not on use, albeit licensed, of another entity's mark: see McDonald's Corporation v. McTaco Enterprises Ltd. (1984), 3 C.P.R.(3d) 130 at pp. 135-136 where an analogous issue arose in the context of the then existing registered user provisions of the Act. In view of the foregoing, I find that the opponent Santana is precluded from relying on its use of the mark AQUATHERM to support its ground of opposition pursuant to Section 16. Consequently, the ground of opposition denoted by (ii) above is unsuccessful. Of course, the validity of the grounds of opposition denoted by (i) and (iii) above are not dependent on whether the opponent Santana owns the mark AQUATHERM.

Both the remaining grounds of opposition turn on the issue of confusion between the applied for mark AQUATHERM and the mark AQUATECK. The material time to consider the issue of confusion arising pursuant to subsection 12(1)(d) is the date of my decision, while the material time to consider the issue of confusion arising pursuant to the allegation that the mark AQUATECK is not distinctive is the date that the opposition commenced, namely December 14, 1990: see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.), and see Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). In the circumstances of this case, as revealed by the evidence of record, nothing turns on which material date is chosen for considering the issue of confusion.

The legal burden is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2), between the applied for mark AQUATECK and the mark AQUATHERM. In determining whether there would be a reasonable likelihood of confusion, I am to have regard to all the surrounding circumstances, including those enumerated in Section 6(5). Further, with respect to the ground of opposition alleging that the mark AQUATECK is not distinctive, I am permitted to take into account the parties' sales and advertising under the respective marks up to the material date December 14, 1990: see Castle & Cooke, Inc. v. Popsicle Industries Ltd. (1990), 30 C.P.R.(3d) 158 (TMOB). The presence of a legal burden on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant: see John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 at pp. 297-298 (F.C.T.D.)

With respect to subsection 6(5)(a), I consider that the marks AQUATECK and AQUATHERM possess about equal degrees of inherent distinctiveness, and that neither are strong

marks. The mark AQUATECK, in relation to footwear, suggests to some extent that modern "high tech" materials or manufacturing methods are employed to produce a shoe that is resistant to moisture. Similarly, the mark AQUATHERM, in relation to shoes and boots, suggests to some extent that the opponent's footwear provide warmth in wet conditions. The opponent's evidence is that between February 1989 and July 1991 it sold about 123,000 pairs of boots, shoes, and rubbers in Canada valued at about \$5.4 million. The opponent's mark is prominently featured on product packaging and on hang tags attached to the wares. Thus, I conclude that the opponent's mark has achieved some reputation in Canada through sales. The applicant's mark AQUATECK is prominently featured on the applicant's product packaging and on hang tags, and the applicant sold about 55,000 pairs of footwear between mid December 1989 and November 1991 (the date of Mr. Krasnow's affidavit). Thus, I conclude that the applied for mark AQUATECK is known to a lesser extent than the opponent's mark AQUATHERM.

The length of time that the marks have been in use favours the opponent to a minor extent as the opponent's use of its mark predates that of the applicant by about 10 months. With respect to subsections 6(5)(c) and (d), the nature of the parties' wares is essentially the same, and I would also expect the nature of the parties' trades to be the same.

As for the degree of resemblance between the marks AQUATECK and AQUATHERM, I consider that there is a fair degree of resemblance in appearance and aurally. I also consider that there is some overlap in the ideas suggested by the marks in so far as both marks suggest the idea of "water."

In its written argument, the applicant points to a letter dated February 6, 1990 (identified as exhibit B to the Coulombe affidavit) from the agents for the opponent (addressed to a company who is not a party to these proceedings) stating that Taurus Footwear Inc. is the owner of the mark AQUATHERM. The applicant also notes that regn. No. 371,260 for the mark AQUATHERM was filed on February 13, 1989 and was based on proposed use in Canada. A declaration of use, executed by Santana, was subsequently filed on behalf of the trade-mark owner namely 154297 Canada Inc. The applicant questions the validity of the registration on two grounds. First, if Mr. Milot's statement in his affidavit that Santana began to use the mark AQUATHERM since at least as early as February 1, 1989 is accurate, then the application leading to the registration was improperly based on proposed use when it should have been based on past use. It follows that regn. No. 371,260 would be invalid because the application was not in compliance with Section 30: see the Opposition Board decision in La Marca Leather Corp. v. Orol Jewellery Mfg. Co. Ltd. (1989), 28 C.P.R.(3d) 562 at 564. Second, the applicant points to the assertion that Taurus is the owner of the mark AQUATHERM. However, the validity of a registration relied on by an opponent is not in issue in opposition proceedings (see Sunshine Biscuits, Inc. v. Corporate Foods Ltd. (1982), 61 C.P.R.(2d) 53 at 61 (F.C.T.D.)) and, in any event, Santana's ground of opposition alleging non-distinctiveness

of the applied for mark AQUATECK would not be nullified even if regn. No. 371,260 were invalid. In this regard, Santana's allegation of non-distinctiveness is founded on Santana's use of the mark AQUATHERM, which is entirely separate from issues relating to the validity of the registration for AQUATHERM or who owns the mark.

The applicant in its written argument notes that there is no evidence of actual confusion in the marketplace even though the marks in issue co-existed for a period of two years before the parties filed their evidence. I agree that the absence of evidence of actual confusion weighs in favour of the applicant; however, its significance is diminished because the parties' volume of sales was not particularly high, and, more importantly, because the applicant has not shown that the parties' wares were actually sold in the same geographic area(s) or localities.

The applicant in its written argument also submits that "The record . . . indicates clearly that there are numerous traders in Canada [in the footwear industry] using trade marks or trade names having the pre-fix or initial component Aqua . . ." and that "no one trader has the right to appropriate to himself . . . the common language of a trade . . ." The implication is that the prefix AQUA does not serve to distinguish between the marks AQUATHERM and AQUATECK and that therefore the marks in their entireties are not confusing. Although it is an accepted principle of law that no one trader can monopolize the common language of a trade, I do not agree that the principle is applicable in the instant case. In my view, the evidence of record is far from sufficient to allow me to infer that the prefix "AQUA" is common for marks used in association with footwear, or for trade-names in the footwear industry.

Considering the above, and keeping in mind that the test for confusion is one of first impression and imperfect recollection, I find that the applicant has not met the legal burden on it to show that the marks in issue are not confusing (at either of the relevant material dates). It follows that the opponent succeeds on its grounds of opposition denoted by (i) and (ii) above.

The applicant's application is refused.

I would add that the opposition would likely have been rejected had the applicant established that the term AQUA is a common prefix of trade-marks (or trade-names) used in association with footwear. The result may also have favoured the applicant had it shown that the parties' wares were actually sold in the same localities.

Finally, I would also mention that Exhibit B to the Coulombe affidavit is missing from the file record, although the opponent appears to have been provided with a copy. It may be that exhibit B was never filed with the Office, or that it has been misplaced by the Office. However, as

discussed above, nothing turns on this evidence.

DATED AT HULL, QUEBEC, THIS 28th DAY OF July, 1994.

Myer Herzig,
Member,
Trade-marks Opposition Board