



THE REGISTRAR OF TRADE-MARKS

Reference: 2014 TMOB 214
Date of Decision: 30/09/2014
TRANSLATION

**IN THE MATTER OF AN OPPOSITION
by Cosmetica Cabinas, S.L. against
application No. 1,443,259 for the trade-
mark INOA in the name of L'OREAL,
Société anonyme**

Introduction

[1] Cosmetica Cabinas, S.L. (the Opponent) opposes registration of the trade-mark INOA (the Mark) covered by application No. 1,443,259 in the name of L'OREAL, Société anonyme (the Applicant).

[2] This application, filed on June 30, 2009 and claiming the priority filing date of January 16, 2009, is based on the proposed use of the Mark in association with hair care products. The statement of wares of the application is reproduced in full in Schedule A.

[3] The first of the grounds of opposition raised pursuant to subsection 38(2) of the *Trade-marks Act*, R.S.C. 1985, c T-13 (the Act) is based on the non-conformity of the application with paragraph 30(i) of the Act. The other two grounds of opposition revolve around the probability of confusion between the Mark and the AINHOA trade-mark, which the Opponent alleges having previously used and made known in Canada in association, in particular, with the wares identified in application No. 1,430,008, which it filed on March 9, 2009, which generally can be described as makeup products, skin care products and hair care products. The statement of wares

of the application is reproduced in full in Schedule B. This having been said, none of the grounds of opposition is based on the Opponent's application.

[4] For the following reasons, I consider it appropriate to refuse the application.

The record

[5] The statement of opposition was filed on June 28, 2010. The Applicant filed a counter statement denying each of the grounds of opposition argued.

[6] The Opponent's Evidence consists of an affidavit dated November 12, 2010, including its Exhibits A to J, by Juan Antonio Morales Abrisqueta, the Opponent's General Manager. Mr. Morales was cross-examined by the Applicant. The transcript of his cross-examination and the responses to the undertakings, including Exhibits 54-55-A, 54-55, 100-A, 100-B, 221, 223 and 241-243, are in the record.

[7] The Applicant's Evidence consists of an affidavit dated June 12, 2012, including its Exhibit R-1, by Minh-Dan Tran, Group Marketing Manager of L'Oréal Canada Inc., which also carries on business under the business name L'Oréal Canada (L'Oréal Canada). Mr. Tran was not cross-examined by the Opponent.

[8] Only the Applicant filed a written argument.

[9] The two parties were represented at the hearing held in this file.

The burden incumbent on the Parties

[10] The legal onus is on the Applicant to show that the application for registration does not contravene the provisions of the Act. This means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the Applicant. However, the Opponent must discharge the initial burden of proving the facts on which it bases its allegations. The fact that an initial evidentiary burden is imposed on the Opponent means that a ground of opposition will be taken into consideration only if sufficient evidence exists to allow a reasonable conclusion of the existence of the facts alleged in support of this ground of opposition [see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (FCTD);

Dion Neckwear Ltd. v. Christian Dior, SA et al (2002), 20 C.P.R. (4th) 155 (F.C.A.); and *Wrangler Apparel Corp v. The Timberland Company* (2005), 41 C.P.R. (4th) 223 (F.C.).

[11] Before reviewing the evidence of record, I will address the admissibility of Mr. Morales' affidavit, which was called into question by the Applicant following the cross-examination of this witness.

Admissibility of the affidavit of Juan Antonio Morales Abrisqueta

[12] I reproduce below an excerpt from paragraph 11 of the Applicant's written argument, which reflects its representations on this question:

[TRANSLATION] Juan Antonio Morales Abrisqueta's affidavit is inadmissible, because the affiant did not swear an oath at the time he rendered it. The documents were signed by Mr. Morales and a notary, Mr. Jimenez, and then were sent, without Mr. Morales' presence, to the "colegio de notario" to be officialized. At no time was Mr. Morales asked to confirm, under oath, that the contents of his document were "the truth, the whole truth" (Q6-20).

[13] I conclude from my reading of the transcript of the cross-examination that the facts noted by the Applicant are true. However, the Applicant has not convinced me that I must conclude that Mr. Morales' affidavit is inadmissible. Instead, I agree with the Opponent that Mr. Morales' affidavit is admissible in the case at bar.

[14] In general, an affidavit prepared in a foreign jurisdiction is accepted by the Registrar, as long as it is made in accordance with the rules of that jurisdiction. In the present case, the Applicant has presented no evidence to allow me to conclude that Mr. Morales's affidavit was not made in compliance with the Spanish legislation.

[15] Whatever the case may be, it is my opinion that Mr. Morales' cross-examination ultimately settled the question of the affidavit's admissibility.

[16] On the one hand, I agree with the Opponent's position that Mr. Morales affirmed the veracity of the contents of his affidavit under reexamination [Q251-252]. On the other hand, my reading of the transcript of the cross-examination leads me to conclude that the Applicant did not raise the question of the affidavit's admissibility before cross-examining Mr. Morales on its

contents. In other words, the Applicant proceeded to cross-examine Mr. Morales without reserving the right to contest the admissibility of his affidavit; it was only during its written argument that the Applicant raised the question of the affidavit's admissibility. By way of analogy, I find that the Registrar's following reasoning in *Datascopie of Canada Ltd v. Datascopie Corp* (1997), 81 C.P.R. (3d) 409 (TMOB) at page 416, affirmed (1998), 81 C.P.R. (3d) 420 (FCTD), is applicable in the case at bar.

[...] I think that the fact that the opponent cross-examined the declarants, and the declarants admitted under oath that everything contained in their declarations was true, satisfies the fundamental requirements of the *Canada Evidence Act*. Also, the fact that the opponent seemed to accept the declarations as valid and even cross-examined the deponents should prevent the opponent from contesting the validity of the declarations at a final stage in the proceedings. [...]

[17] Therefore, I conclude that Mr. Morales' affidavit is admissible as Opponent's Evidence in these proceedings.

Opponent's Evidence

[18] I will now review Mr. Morales' affidavit. In so doing, I will also refer to passages of his cross-examination and responses to the undertakings, to the extent they are relevant regarding the evidence and the representations of the parties.

[19] Mr. Morales explained that the Opponent is a Spanish company specializing in the manufacturing and sale of various cosmetics, including makeup, skin care products and hair care products. The Opponent's products are sold in over 50 countries [paragr. 3].

[20] Mr. Morales affirmed that the AINHOA mark is one of the Opponent's leading trademarks [paragr. 4]. The worldwide sales of AINHOA products exceeded 231 million Spanish pesetas for the years 1996 to 2001 and 20.5 million euros for the years 2002 to 2009 [paragr. 9].

[21] Mr. Morales affirmed in his affidavit that the AINHOA mark has been used in Canada since at least as early as August 15, 2006 in association with the wares identified in the Opponent's application No. 1,430,008 [paragr. 4]. I remind the parties that the statement of wares of this application is reproduced in full in Schedule B. Under cross-examination, when questioned about the use of the AINHOA mark in association with the wares, "*hair drying*

material; hair preservation processing material; bleaching agents and dyes; hair toner", Mr. Morales specified that the SPA WORLD line and the LUXE line of AINHOA products both include hair care products [Q38-42]. In response to undertakings, the Opponent indicated that it seems that no hair care product of the SPA WORLD line has been sold in Canada [Q44]. The same is true of the hair care products of the LUXE line [Q46-47].

[22] I summarize as follows the balance of Mr. Morales' testimony concerning the use and the promotion of the Opponent's AINHOA mark:

- the mark is affixed directly to the wares and/or to the packaging in which the wares are distributed [paragr. 5];
- the AINHOA products are sold in Canada in various retail points of sale and department stores, such as Winners and Sears, as well as via the Sears website, at *www.sears.ca*, and the website *www.sciencenatureonline.com* [paragr. 6-7]. The Opponent was unable to confirm that AINHOA products were sold in Canada in hair salons [Q85-86];
- Octolane Inc. imports and distributes AINHOA products in Canada. The first delivery of AINHOA products to Octolane Inc. by the Opponent dates back to "01/06/2009". Beautytech Enterprise Ltd. imported and distributed AINHOA products in Canada from March 2007 to March 2008 [Q59-68, Q76]. The Opponent sold AINHOA products directly to Winners in July 2006 [Q87-91];
- Since 2006, sales of AINHOA products in Canada have exceeded \$360,000 [paragr. 10]. The Opponent was unable to respond to the undertaking to provide an annual breakdown of sales in Canada [Q140];
- AINHOA products are promoted by various means, including print advertising, point-of-purchase material, promotional advertising, store circulars, advertisements and Internet advertising [paragr. 11];
- in general, the Opponent supplies the artwork for the advertising, the point-of-purchase material and the promotional material to the importer/distributor of the

AINHOA products. The importer/distributors pays for the advertising [Q108-118, Q132-137]. The volume of material supplied by the Opponent for Canada is not quantifiable [Q131]; and

- the AINHOA mark has been clearly visible on the entire website *www.ainhoacosmetics.com*, since at least 2002. According to the data obtained by Arsyes Internet S.L., which hosts the Opponent's website, there were nearly 650,000 page views and 2 million hits on the website for the period from January 1, 2008 to October 11, 2009. Data on the number of Canadians who have accessed the website is unavailable [paragr. 16-17, Q187-209].

[23] The documentary evidence produced via Mr. Morales' affidavit and responses to the undertakings is composed of the following, in particular:

- colour pictures of products bearing the AINHOA mark [Exhibits B and 54-55]. According to the responses to the undertakings, nearly all the products sold in Canada are represented by these colour pictures and correspond to products identified in the copies of the invoices, discussed below, filed with the affidavit [Q168];
- invoices addressed to Winners (July 13, 2006), to Beautytech Enterprise Ltd. (May 25, 2007) and to Cosmolane Inc. (May 25, 2009, August 12 and 13, 2009, January 19 and February 24, 2010) for products belonging to the BIO, OLIVE, LUXURY, LUXE, OXYGEN, AVENA and AQUASENSE lines of AINHOA products [Exhibit E]. These invoices also cover the promotional material and the product testers, for which there is no cost [Q161-162];
- an excerpt from the websites *www.sears.ca* and *www.sciencenatureonline.com* [Exhibits C and D];
- the Opponent's catalogues, for the years 2008 and 2009, presenting various cosmetic and makeup products, bearing the AINHOA mark, and representative of catalogues distributed in Canada [Exhibit F]. Under cross-examination, Mr.

Morales acknowledged that the exhibit attached to his affidavit is composed of artwork for the catalogues [Q145]. At the time it responded to the undertakings, the Opponent did not have copies of the catalogues [Q147];

- a brochure illustrating the promotional material for various cosmetic and makeup products bearing the AINHOA mark [Exhibit H]. This brochure is particularly intended for hair or beauty salons; it illustrates the promotional material that can be obtained from the distributor [Q172-173]. In response to an undertaking, the Opponent indicated that it does not know whether the brochure was distributed in Canada [Q174-175];
- representations of signage for points of sale in stores [Exhibit I]. Under cross-examination, Mr. Morales specified that the exhibit illustrates a display card in front of which product testers are placed [Q176]; and
- excerpts from the website *www.ainhoacosmetics.com* on the date of the affidavit, and on March 9, 2005, February 27, 2006 and November 14, 2007 [Exhibit J]. In response to an undertaking, the Opponent confirmed that the hair care products of the SPA WORLD line and the LUXE line are on the website [Q186].

[24] To conclude my review of the Opponent's Evidence, I note that the cross-examination of Mr. Morales shows that the Opponent's distributors in Spain, France and the Czech Republic have questioned the Opponent on the existence of a connection between its products and those associated with the Mark [Q217-237]. In response to undertakings, the Opponent filed copies of email received from the Spanish distributor and the letter received from the Czech distributor [Exhibits 221 and 233]. The email received from the French distributor was unavailable. The Opponent also indicated it has received calls from customers in Spain [Q235-236]. Mr. Morales had no knowledge of similar cases for Canada [Q237].

[25] Finally, in response to questions on the meaning of the term AINHOA in the Spanish language, Mr. Morales said that to his knowledge, "Ainhua" is a woman's first name. He also said this is a name from the Basque country in northern Spain, on the border with France

[Q238-240]. This having been said, the Applicant did not submit any representation based on this part of Mr. Morales' testimony.

Applicant's Evidence

[26] I summarize as follows Mr. Tran's evidence concerning the Applicant, L'Oréal Canada and the use of the Mark in Canada:

- the Applicant, a world leader in cosmetics, beauty products and care products, is essentially specialized in research, development, manufacturing, sales and distribution, worldwide, of perfume products, cosmetics, makeup, hair care and body care products, beauty products, and products for the care, colouring and treatment of hair (collectively identified by the registrant under "L'Oréal Products") [paragr. 5];
- the L'Oréal can be grouped in four general categories [paragr. 9] :
 - luxury products, sold in pharmacies, perfume boutiques and department stores, such as The Bay;
 - professional hair products, sold at professional hairdressers in particular;
 - active cosmetics for skin care, sold in pharmacies; and
 - consumer products, sold in pharmacies, grocery stores, large-surface stores, such as Wal-Mart, and "club" stores, such as Costco, in particular;
- L'Oréal Canada, a wholly-owned subsidiary of the Applicant, is a licensee of the Applicant, which directly or indirectly controls the features or quality of the L'Oréal Products marketed in Canada by L'Oréal Canada, including those associated with the Mark [paragr. 2 and 8]; and
- the products bearing the Mark have been sold in Canada since February 2010 [paragr. 10].

[27] Mr. Tran concluded his affidavit by affirming that he has never had any knowledge of any confusion on the part of anyone between the Mark and the AINHOA mark and that no confusion has been brought to his attention [paragr. 12].

[28] To illustrate how the Mark is affixed to the L'Oréal Products sold by the Applicant in association with the Mark, Mr. Tran produced [TRANSLATION] "a sampling of representations of L'Oréal Product INOA mark packagings, as sold in Canada since February 2010" [paragr. 11, Exhibit R-1]. I note that Exhibit R-1 consists of packagings of four hair care products bearing the Mark.

[29] In concluding my review of the Applicant's Evidence, I note that during the hearing, I pointed out that the packagings identify companies other than the Applicant and L'Oréal Canada. For example, two of the packagings refer to L'ORÉAL USA, INC., NEW YORK, NY 10017, followed by DIST. L.ORÉAL PROFESSIONNEL, CANADA, MONTRÉAL, H4T 1K5. The other two mention L'ORÉAL PROFESSIONNEL, followed by an address in Paris. Other companies, which I presume are subsidiaries of the Applicant, are also identified on one of the two packagings.

[30] Apart from the fact that it seems my remark on the packagings took the Applicant by surprise during the hearing, the Applicant essentially submitted that it is likely the same packagings are used for different countries, such as Canada and the United States. The Opponent made no representation following my remarks. Whatever the case may be, in the case at bar, the ultimate outcome of the Opposition does not revolve around the question of whether the Applicant's Evidence permits me to conclude that it benefited from the use of the Mark in Canada pursuant to section 50 of the Act.

Examination of the questions

[31] The grounds of opposition raise the following questions:

1. Could the Applicant state it was satisfied it was entitled to use the Mark in Canada on the filing date of the application?

2. Was the Applicant the person entitled to registration of the Mark on the priority date of the application?
3. Was the Mark distinctive of the Applicant's wares on the filing date of the statement of opposition?

[32] I will examine these questions in turn.

1. Could the Applicant state it was satisfied it was entitled to use the Mark in Canada on the filing date of the application?

[33] This question arises from the ground of opposition alleging that the application does not satisfy the requirements of paragraph 30(i) of the Act, in that the Applicant could not be convinced it had the right to use the Mark in Canada in association with the wares described in the application, because it knew that the Opponent's AINHOE mark had been used and made known in Canada.

[34] The relevant date for the examination of the ground of opposition is the filing date of the application, namely June 30, 2009 [see *Georgia-Pacific Corp v. Scott Paper Ltd* (1984), 3 C.P.R. (3d) 469 (TMOB)].

[35] Paragraph 30(i) of the Act simply requires that an Applicant provide a statement that it is satisfied it was entitled to use the trade-mark in Canada in association with the wares or services described in its application. The Applicant complied strictly with the requirements of this provision.

[36] I add that the mere knowledge of the existence of an opponent's trade-mark does not, in itself, substantiate an allegation that the applicant could not be satisfied it was entitled to use a mark [*Woot, Inc v. WootRestaurants Inc/Les Restaurants Woot Inc* 2012 TMOB 197 (CanLII)]. It is established by the case law that a ground of opposition based on non-compliance with article 30(i) of the Act should be accepted only in specific cases, in particular, when the applicant's bad faith is alleged and established or specific legislative provisions are an obstacle to the registration of the mark covered by the application [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (TMOB); and *Canada Post Corporation v. Registrar of Trade-marks* (1991), 40 C.P.R. (3d) 221 (FCTD)].

[37] Therefore, I reject the ground of opposition raised pursuant to paragraph 30(i) of the Act.

2. Was the Applicant the person entitled to registration of the Mark on the priority date of the application?

[38] This question arises from the ground of opposition raised pursuant to paragraph 16(3)(a) of the Act, alleging that the Applicant is not the person entitled to registration of the Mark due to confusion with the AINHOA mark, which the Opponent alleges having previously used and made known in Canada in association with makeup products, skin care products and hair care products.

[39] The relevant date for the examination of the ground of opposition is the priority date of the application, namely January 16, 2009.

[40] Following my review of the Opponent's Evidence, I consider the Opponent has discharged its evidentiary burden that it used the AINHOA mark in Canada in association with *facial care products* before January 16, 2009 and that it had not abandoned the AINHOA mark on the date of announcement of the application, i.e. January 27, 2010 [see subsection 16(5) of the Act].

[41] Accordingly, I must determine whether the Applicant has met its ultimate onus of establishing, according to the balance of probabilities, that there was no risk of confusion between the Mark and the Opponent's AINHOA mark on January 16, 2009. For the following reasons, I conclude the Applicant did not discharge this burden.

[42] The test for confusion is that of first impression and imperfect recollection. According to subsection 6(2) of the Act, the use of a trade-mark creates confusion with another trade-mark when the use of both trade-marks in the same region would be likely to give the impression that the wares related to these trade-marks are manufactured, sold, leased or rented or that the services related to these trade-marks are leased or executed, by the same person, whether or not these wares or these services are in the same general category.

[43] In deciding whether these trade-marks are confusing, the registrar must take into account all circumstances in the case, specifically those listed in subsection 6(5) of the Act, i.e. a) the

inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time the trade-marks have been in use; c) the nature of the of wares, services or business; d) the nature of the trade; e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. This list is not exhaustive and different weight will be given to each of these factors in a context-specific assessment. [See *Mattel, Inc. v. 3894207 Canada Inc* (2006), 49 C.P.R. (4th) 321 (S.C.C.); *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al* (2006), 49 C.P.R. (4th) 401 (S.C.C.); and *Masterpiece Inc. v. Alavida Lifestyles Inc.* (2011), 92 C.P.R. (4th) 361 (S.C.C.) for an advanced examination of the general principles governing the test for confusion.]

[44] In the *Masterpiece* decision, supra, the Supreme Court of Canada ruled that the degree of resemblance between the marks, even though this is the last factor listed in subsection 6(5) of the Act, is the statutory factor that is often likely to have the greatest effect on the confusion analysis; the Court decided to begin its analysis by examining this factor. Therefore, I will examine the factors set out in subsection 6(5), beginning with the degree of resemblance between the marks.

The degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

[45] It is clearly established that in the assessment of confusion, it is not appropriate to dissect trade-marks into their component parts. Trade-marks instead must be examined as a whole.

[46] Examining the degree of resemblance, the Supreme Court of Canada writes in the *Masterpiece* decision, at paragraph 62: "Resemblance is defined as the quality of being either like or similar [between objects of the same kind presenting identical features] under the definition of "resemblance" [...]. In paragraph 64, the Court writes that to measure the degree of resemblance, a preferable approach is to first consider whether there is an aspect of the trade-mark that is particularly striking or unique.

[47] According to my understanding of its oral representations, the Opponent essentially submits that there is a material degree of resemblance between the marks in presentation and

sound, because the marks are both formed of a single word composed of the same vowels, including "OA" in their ending.

[48] The Applicant alleges that there are substantial phonetic and visual differences between the marks of the parties. To reflect the Applicant's representations, I consider it is useful to reproduce paragraphs 42 to 45 of its written arguments below:

[TRANSLATION]

42. First of all, when they are pronounced, the marks in question have a different sound, even though the second syllable may be the same. The difference between the two sounds is obvious: the first letters of each of the AINHOA and INOA marks are pronounced differently. For the AINHOA mark, the letters (*sic*) "AIN" are pronounced as such, or "äi-n", which is phonetically different from the "I" sound of "INOA", much more striking and open, at the beginning of a word.
43. Moreover, in the structure of the terms, the "H" in AINHOA suggests a pause, splitting the pronunciation of the mark in two: "AIN" and "HOA", while the "INOA" mark is pronounced without pausing and "flows" more naturally. The only similarity between the marks is the combination of the two letters "OA" at the end of the word.
44. Visually, there is a striking distinction between the marks under study. The term "AINHOA" is longer than the term "INOA", containing more letters, including "H", which visually cuts the word in two. Moreover, the words do not begin with the same letter. The term "AINHOA" begins and ends with the same letter: "A", which creates a visual symmetry effect (*sic*). The term "INOA" begins with the letter "I", which adds to the succinct effect of the term, both visually and phonetically, thereby distinguishing it in another way from the term "AINHOA".
45. To support this principle, in *Ikea Ltd. /Ikea Ltée v. Idea Design* (1987), 13 C.P.R. (3d) 476 (FCTD), the judge concluded that even if the IKEA and IDEA phonetically resembled each other, there was no risk of confusion. IKEA is distinguished by the letter "K", which gives it a strong Scandinavian look while the IDEA mark primarily evokes an idea or a thought.

[My underlining]

[49] During the hearing, the Opponent submitted that the Applicant's claims regarding the differences between the marks are based on an inappropriate dissection of the marks, which instead must be considered as a whole. The Opponent also submitted that the facts of the *Ikea Ltd.* case, *supra*, are distinct from the facts of the present case. I agree on both points. I add that each case must be judged according to its own facts.

[50] In the final analysis, the Applicant has not convinced me that the visual differences between the marks are as important as it claims. When I consider the INOA and AINHOA trademarks on the basis of the first impression, it is my opinion instead that they are visually similar.

[51] Regarding the degree of resemblance between the sound of the marks, during the hearing, the Applicant submitted that it is impossible to presume the pronunciation by a Canadian consumer of terms that are not French or English words. Thus, the Applicant submitted that the Opponent had to present evidence to support its position regarding the resemblance between the marks in terms of sound. It is appropriate to point out that the Applicant itself presented no proof to support its position regarding the differences between the marks based on the pronunciation of the AINHOA mark. With all due respect to the Applicant, what is good for one is good for the other. Moreover, it appears to me that the position adopted by the Applicant during the hearing contradicts the position contained in its written arguments, according to which [TRANSLATION] "when they are pronounced, the marks in question have a different sound, even though the second syllable may be the same".

[52] It is appropriate to recall that a trade-mark cannot be registered if there is a likelihood of confusion for the average Anglophone consumer, the average Francophone consumer or the average bilingual consumer [see *Pierre Fabre Medicament v. SmithKline Beecham Corporation* (2001), 11 C.P.R. (4th) 1 (F.C.A.)]. In the absence of evidence of the pronunciation of the marks in the case at bar, it is my opinion that I can rely on my own knowledge of my mother tongue to consider their degree of resemblance in sound [by analogy, see *Essilor International (Compagnie Générale d'Optique) v. Rampage Clothing Co.* (2004), 36 C.P.R. (4th) 371 (TMOB) at 381-2].

[53] I consider it more than likely that an average Francophone consumer will split the Mark into three syllables, "i-no-a". As for the AINHOA mark, I consider it is likely to be split into three syllables, "ai-nho-a" or "ain-ho-a", or into four syllables, "a-i-nho-a". In both cases, the letter "h" is silent. In my opinion, any phonetic difference attributable to the first syllables of the AINHOA and INOA marks is not significant enough to conclude there is no degree of resemblance in the sound. Ultimately, considering the marks as a whole, it is my opinion that there is a certain degree of resemblance in sound between the Mark and the AINHOA marks for an average Francophone consumer.

[54] Finally, it emerges from the hearing that the parties agree that, in addition to not being English or French terms, the marks have no descriptive or suggestive connotation in association with the wares associated with them. In other words, the parties agree on the fact that the marks do not suggest a specific idea. According to my understanding of the Applicant's representations during the hearing, it submits that it therefore must be concluded that there is no resemblance between the ideas suggested, which favours it.

[55] I agree that each mark in the case at bar does not suggest any specific idea. This having been said, the Applicant has not convinced me that it must therefore be concluded that the degree of resemblance in the ideas suggested favours it. In my opinion, because the marks do not suggest any specific idea, there is no more difference than resemblance between the ideas suggested. In other words, the degree of resemblance between the ideas suggested is a neutral factor, in that no conclusion can be drawn regarding this factor.

[56] In the circumstances, I consider that the degree of resemblance between the marks in presentation and sound becomes even more significant. As I have indicated, considering the INOA and AINHOA trade-marks on the basis of the first impression, it is my opinion they are visually similar. It is also my opinion there is a certain degree of phonetic resemblance between the marks for an average Francophone consumer.

[57] Therefore, I conclude that the overall assessment of the degree of resemblance between the trade-marks favours the Opponent.

The inherent distinctiveness of the trade-marks and the extent to which they have become known

[58] This factor, stated in paragraph 6(5)(a) of the Act, is a combination of the inherent distinctiveness of the trade-marks and the distinctiveness acquired by the marks due to their use or promotion in Canada.

[59] As indicated previously, the parties agree that, in addition to not being English or French terms, the marks have no descriptive or suggestive connotation in association with the wares associated with them. Ultimately, there is no debate between the parties that each mark possesses a material and equivalent inherent distinctiveness. I do not see any reason to conclude otherwise.

[60] The debate between the parties focuses on the value of the Opponent's Evidence concerning the extent to which the AINHOA mark has become known in Canada. The Applicant devoted a large part of its oral representations to criticizing the evidence regarding the use and promotion of the AINHOA mark in Canada at the relevant date. Obviously, the Opponent contested the Applicant's claims regarding the value of its evidence.

[61] I agree with the Applicant that there are deficiencies in the Opponent's Evidence. For example, there is no evidence concerning the sums allocated to advertising of AINHOA products in Canada. Nor is there any evidence concerning the volume of advertising or promotional material distributed in Canada by the Opponent or its distributors. In addition, the Opponent did not provide an annual breakdown of sales of AINHOA products in Canada since 2006 and presented the overall value of sales at the date of Mr. Morales' affidavit, signed on November 12, 2010. Therefore, I also agree with the Applicant that it is impossible to draw a conclusion as to the volume of sales in Canada at January 16, 2009.

[62] Ultimately, I consider that the Opponent's Evidence, when considered as a whole, is sufficient to prove, as of January 16, 2009, its use of the AINHOA mark in Canada since at least as early as August 2006. This having been said, I nonetheless consider that the Opponent's Evidence, as presented by Mr. Morales, does not allow me to conclude as to the extent to which the AINHOA mark had become known in Canada as of January 16, 2009.

[63] Therefore, I am not prepared to conclude that the overall assessment of the factor set out in paragraph 6(5)(a) of the Act favours the Opponent significantly. I agree with the Applicant that the overall assessment of this factor is neutral instead.

The period during which the trade-marks have been in use

[64] My previous remarks concerning the deficiencies of the Opponent's Evidence are inconsequential for the assessment of this factor concerning the period of use of the marks and not the extent of this use. As mentioned above, I consider that the Opponent's Evidence, when considered as a whole, is sufficient to prove, as of January 16, 2009, its use of the AINHOA mark in Canada since at least as early as August 2006. As for the Mark, it was not used in Canada on the relevant date.

[65] Therefore, this factor, set out in paragraph 6(5)(b) of the Act, favours the Opponent.

Nature of the wares, services or business

[66] The Opponent admits that its evidence does not prove the use of the AINHOA mark *in Canada* in association with hair care products. Nonetheless, it submits that the fact its mark is used in Canada only in association with skin care products is not fatal to its case. The Opponent submits that its skin care products and the hair care products, as identified in the application for the Mark, are of the same nature, because they are beauty products in both cases.

[67] On the other hand, the Applicant essentially submits that the wares associated with the marks of the parties [TRANSLATION] "are clearly distinct". The Mark is associated with hair care products, while the wares associated with the AINHOA mark pertain to line of cosmetics and skin care products; these primarily are skin care creams. According to the Applicant, there are enough differences between the nature of the parties' wares, hair care products on the one hand and cosmetics on the other, to distinguish the marks.

[68] I consider it unnecessary to engage in a long discussion of each and every representation contained in the Applicant's written arguments to indicate my disagreement with its position.

[69] Indeed, with all due respect for the Applicant, its position does not withstand analysis. By definition, a cosmetic or a beauty product is a product intended to beautify the skin, the hair [see *Multi dictionnaire de la langue française*]. Even if I accept that the parties' wares are not *identical*, none of the Applicant's arguments has convinced me to conclude there are differences between the nature of the wares or significant distinctions between them.

[70] Therefore, I conclude that the factor set out in paragraph 6(5)(c) of the Act favours the Opponent.

Nature of the trade

[71] During the hearing, the Applicant submitted that the Opponent's wares are intended exclusively for large-surface stores, such as Winners and Sears, while the wares associated with the Mark are found in professional hair salons.

[72] On the other hand, the Opponent submitted that the statement of wares of the application filed by the Applicant does not contain any restriction regarding the distribution channels of the wares. The Opponent also noted that, according to the Applicant's own evidence, the L'Oréal Products, which include the wares associated with the Mark, are sold, in particular, in large-surface stores, resulting in an overlap between the distribution channels of the parties.

[73] I understand that the Applicant's representations at the hearing are based on the following evidence: Mr. Tran's assertion that the L'Oréal Products corresponding to the category of professional hair products are sold, in particular, at professional hairdressers, and the packagings attached under Exhibit R1, from which it appears that the products associated with the Mark are intended for professionals.

[74] The position adopted by the Applicant during the hearing appears, in my opinion, to contradict the position contained in its written arguments, according to which it emerges from the Opponent's Evidence that the products associated with the AINHOA mark are intended exclusively for large-surface stores, when it emerges from its own evidence that

[TRANSLATION]

"L'Oréal Products (including the products of the INOA mark) can be found in pharmacies and

department stores, grocery stores and large-surface stores, as well as in professional hair salons, in the case of hair products. The wares marketed respectively by the two parties are therefore intended to use different distribution channels, with a low risk of overlap concerning large-surface stores". [My underlining, paragr. 40 of the Applicant's written arguments].

[75] Whatever the case may be, apart from the fact that the packagings produced by Mr. Tran are subsequent to the relevant date, there is no restriction of distribution channels in the statement of wares of the application. Moreover, there is no assertion in Mr. Tran's affidavit that the wares associated with the Mark are intended solely for professional hairdressers.

[76] Ultimately, the Applicant has not convinced me that it is favoured by the factor set out in paragraph 6(5)(d) of the Act. I instead agree with the Opponent that there is no reason, in the case at bar, to conclude there was no possibility of overlap between the distribution channels of the parties' wares on January 16, 2009.

[77] Therefore, I conclude that the factor set out in paragraph 6(5)(d) of the Act favours the Opponent.

Additional circumstance of the case at bar – no actual case of confusion

[78] An opponent is not bound to prove cases of confusion. The Applicant bears the evidentiary burden regarding the absence of likelihood of confusion. The fact that no evidence of confusion exists does not in any way release an applicant from its evidentiary burden. Nonetheless, an adverse conclusion can be drawn from the absence of evidence of actual cases of confusion when there is evidence of significant simultaneous use of the marks in question [see *Mattel Inc*, supra at page 347].

[79] Since the Mark was not used in Canada on the relevant date, I attach no significance to Mr. Tran's testimony that he never had knowledge of cases of confusion between the Mark and the AINHOA mark and that no case of confusion was brought to his attention.

Conclusion on the likelihood of confusion

[80] I remind the parties that the test for confusion consists in asking whether an individual with an imperfect recollection of the Opponent's ORIGINS mark could conclude, on the basis of a first impression, that the wares associated with the Mark come from the same source or are otherwise related to or associated with the Opponent's wares.

[81] In view of my analysis of the factors set out in subsection 6(5) of the Act, I conclude that the Applicant has not discharged its ultimate onus of establishing, according to the balance of probabilities, that there was no risk of confusion between the Mark and the Opponent's AINH OA mark on January 16, 2009.

[82] Therefore, the ground of opposition based on paragraph 16(3)(a) of the Act is accepted.

3. Was the Mark distinctive of the Applicant's wares on the filing date of the statement of opposition?

[83] This question arises from the ground of opposition alleging that the Mark is not distinctive, within the meaning of section 2 of the Act, in that it does not distinguish the Applicant's wares from the wares associated with the Opponent's AINH OA mark.

[84] The Opponent bears the evidentiary burden that its AINH OA trade-mark, at the filing date of the statement of opposition, had acquired a substantial, significant or sufficient reputation in Canada in association with its wares to negate the distinctiveness of the Mark [see *Metro-Goldwyn-Mayer Inc v. Stargate Connections Inc* (2004), 34 C.P.R. (4th) 317 (F.C.); *Motel 6, Inc v. No 6 Motel Ltd* (1981), 56 C.P.R. (2d) 44 (FCTD); and *Bojangles' International LLC v. Bojangles Café Ltd* (2006), 48 C.P.R. (4th) 427 (F.C.)].

[85] During the hearing, the Applicant submitted, first and foremost, that due to the deficiencies in the evidence regarding the use and promotion of the AINH OA mark in Canada, the Opponent had not discharged its initial evidentiary burden. The Opponent, both in its chief representations and in its rebuttal representations, acknowledged that its case on the ground of opposition raised pursuant to paragraph 16(3)(a) of the Act was stronger than its case on the ground of opposition based on the non-distinctiveness of the Mark. This having been said, the Opponent nonetheless clearly indicated that it maintained this last ground of opposition.

[86] In the course of my examination of the previous question, I concluded that the Opponent's Evidence was sufficient to prove its use of the AINHOA mark in Canada since at least as early as August 2006 in association with skin care products, but that the evidence did not allow me to conclude regarding the extent to which the AINHOA mark had become known in Canada as of January 16, 2009. At this time, I must determine whether the Opponent's Evidence proves that its AINHOA trade-mark, as of June 28, 2010, had acquired a substantial, significant or sufficient reputation to negate the distinctiveness of the Mark.

[87] The difference of relevant date has no impact on my previous remarks regarding the deficiencies of the evidence concerning advertising and promotion of AINHOA products in Canada. In this regard, I remind the parties there is no evidence concerning the sums allocated to advertising of AINHOA products in Canada. Nor is there any evidence concerning the volume of advertising or promotional material distributed in Canada by the Opponent or its distributors.

[88] Moreover, even though I acknowledge that sales totalling \$360,000 at November 12, 2010 are significant sales, in the absence of an annual breakdown, I cannot conclude the value of sales at June 28, 2010. In addition, although I acknowledge that the invoices filed by Mr. Morales, dated between July 13, 2006 and February 24, 2010, were produced as a representative sampling of invoices, the fact is that all these invoices total an approximate sum of 17,895 euros, or approximately \$25,337. In the circumstances, I consider it is difficult for me to infer that a material portion of the total value of the \$360,000 in sales had been made at June 28, 2010 rather than November 12, 2010.

[89] Whatever the case may be, since I have already ruled in favour of the Opponent on the previous question, I consider it unnecessary to rule on the question of whether the Opponent discharged its evidentiary burden that its AINHOA mark had acquired a substantial, significant or sufficient reputation to negate the distinctiveness of the Mark at June 28, 2010.

Decision

[90] In exercising the authority delegated to me pursuant to subsection 63(3) of the Act, I refuse application No. 1,443,259 in application of subsection 38(8) of the Act.

Céline Tremblay
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office
Certified true translation

Traduction certifiée conforme
Arnold Bennett

SCHEDULE A

Statement of wares of application No. 1,443,259 for the Mark

Hair shampoos; gels, mousses, balms, creams, waxes, serums, lotions for hairstyling and hair care; aerosol products for hairstyling and hair care, namely: restructuring and conditioning lotions, sprays; hairspray; hair colouring and bleaching products, namely: lotions, gels, sprays, creams; hair waving and setting products, namely: gels, mousses, sprays, balms, and lotions; topical essential oils for personal use for hair care.

SCHEDULE B

Statement of wares of application No. 1,430,008 for the AINHOA mark

Cosmetics for the eyes, for the cheeks, for the lips, for the skin; moisturizing cream; nail polish remover; eyeliner; face liquid powder, lipstick; make up; oils and gel for massages; hair drying material; hair preservation processing material; bleaching agents and dyes; hair toner; bath oils; oils and creams to prevent sunburn; citron essential oils; eye make up remover; eyeshadow; aftershave; lip glossing material; materials to protect the lips; cosmetics and preparations for slimming purposes; compact face powder; depilatory wax and cream; hand creams; aromatic oils; toners and hair conditioners; make up powder; make up pencils; cleansing milk; pomades for cosmetic purposes; cream for whitening the skin; self-tannings; translucent makeup powder.