IN THE MATTER OF AN OPPOSITION by Scott Paper Company to application No. 544,265 for the trade-mark MOLTONEL & Design filed by Beghin-Say, une société anonyme, and presently standing in the name of Kaysersberg, une société anonyme

On June 19, 1985, the applicant, Beghin-Say, une société anonyme, filed an application to register the trade-mark MOLTONEL & Design, a representation of which appears below, based upon use and registration of the trade-mark in France in association with:

"papier hygiénique, imprégné ou non; mouchoirs en papier; essuie-tout ménager et autres produits d'essuyage en papier, nommément: serviettes et lingettes; essuie-main en papier; serviettes de table, sets de table et nappes en papier.
mouchoirs en non-tissé; essuie-tout ménager et autres produits d'essuyage en non-tissé, nommément: serviettes et lingettes; essuie-main en non-tissé; serviettes de table, sets de table et nappes en non-tissé"

The opponent, Scott Paper Company, filed a statement of opposition on April 25, 1988 in which it alleged that the applicant's trade-mark application does not comply with Section 29(i) (now Section 30(i)) of the Trade-marks Act in that the applicant could not be satisfied that it is entitled to use the trade-mark MOLTONEL & Design in Canada in association with the wares covered in the application as of June 19, 1985 as the applicant was aware of the opponent's prior and continued use of the trade-mark COTTONELLE which is an English translation of the word MOLTONEL. As its second ground, the opponent alleged that the applicant's trade-mark is not registrable and not distinctive, and that the applicant is not the person entitled to its registration, in view of the registration and prior user by the opponent of its allegedly confusing trade-mark COTTONELLE, registration No. 197,571, in respect of bathroom tissue.

The applicant filed a counter statement in which it denied the opponent's grounds of opposition.

The opponent filed as its evidence the affidavits of John Herb, Ruth Stoddart, Nicole Beaulieu and Dr. John Senders while the applicant submitted as evidence the statutory declaration of Marcel Kilfiger. Further, leave was granted to the opponent pursuant to Rule 46(1) of the Trade-marks Regulations to file as further evidence a certified copy of its registered trade-mark COTTONELLE, registration No. 197,571.

Both parties submitted written arguments and both were represented at an oral hearing.

During the opposition proceeding, the applicant assigned its rights in the present application to Kaysersberg, une société anonyme.

All of the grounds of opposition turn on the issue of confusion between the applicant's trade-mark MOLTONEL & Design as applied to the wares covered in the present application and the opponent's trade-mark COTTONELLE as applied to bathroom tissue. While the applicant submitted the statutory declaration of Marcel Kilfiger as evidence in support of its application, much of the Kilfiger statutory declaration relates to the applicant's activities in France and other countries other than Canada. As such, the Kilfiger declaration is of little assistance in assessing the issue of confusion in Canada between the trade-marks of the parties.

With respect to the ground of opposition based on Section 12(1)(d) of the Trade-marks Act, the material date would appear to be as of the date of my decision in view of the recent decision of the Federal Court of Appeal in Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks, (1991), 37 C.P.R. (3d) 413. The decision in the Park Avenue case was commented on by the hearing officer in the decision of the Opposition Board in Conde Nast Publications, Inc. v. The Canadian Federation of Independent Grocers, (1991), 37 C.P.R. (3d) 538. Further, the material dates in respect of the non-entitlement and non-distinctiveness grounds of opposition are respectively the applicant's filing date (June 19, 1985) and the date of opposition (April 25, 1988).

In determining whether there would be a reasonable likelihood of confusion between the trade-marks at issue, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in Section 6(5) of the Trade-marks Act. Further, 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 material dates in this proceeding.

With respect to the inherent distinctiveness of the trade-marks at issue, the opponent's trade-mark COTTONELLE is inherently distinctive as applied to bathroom tissue while the applicant's trade-mark MOLTONEL & Design is inherently distinctive in relation to the wares covered in the present application.

There is no evidence that the applicant has either used or made its trade-mark MOLTONEL

& Design known in Canada. Accordingly, the applicant's trade-mark must be considered as not having become known to any extent in Canada as of the material dates in this opposition. On the other hand, the opponent's evidence establishes that its trade-mark COTTONELLE has become well known in this country in association with bathroom tissue. In particular, Mr. Herb, Secretary of Scott Paper Limited, a subsidiary and registered user of the registered trade-mark COTTONELLE, has provided the approximate annual sales of COTTONELLE bathroom tissue in Canada from 1975 to 1988, the total for the fourteen years being approximately $620,000,000. while advertising expenditures associated with COTTONELLE bathroom tissue during this time exceeded $170,000,000. Likewise, the length of time that the trade-marks have been in use favours the opponent.

The opponent's bathroom tissue is essentially identical to the applicant's "papier hygiénique" and is closely related to the remaining wares covered in the applicant's application. Further, and in the absence of any evidence to the contrary, the channels of trade associated with the respective wares of the parties must be considered as overlapping, there being no limitation either in the opponent's registration or the applicant's application which would limit the trade channels associated with the respective wares of the parties.

The final criterion of those enumerated in Section 6(5) of the Trade-marks Act is the degree of resemblance between the trade-marks at issue in appearance, sounding and ideas suggested. In Scott Paper Company v. Beghin-Say S.A., 5 C.P.R. (3d) 225, a proceeding initiated by Scott Paper to expunge the registration for the trade-mark MOLTONEL, Mr. Justice Strayer considered the issue of confusion between the trade-marks MOLTONEL and COTTONELLE and commented as follows with respect to the degree of resemblance between the marks at pages 229 to 231:

The opponent by way of the Stoddart affidavit adduced evidence of dictionary meanings which included those considered by Mr. Justice Strayer in the Scott Paper Co. case. As pointed out by the learned trial judge, the word "molleton" in the French language "conveys more commonly the idea of a soft thick cloth which is more likely wool but may be cotton". Also, Strayer, J. noted that the word "molleton" would "more generally be understood to refer to a cloth of a particular texture (i.e., soft and thick) rather than necessarily to a cotton cloth". As a result, I do not consider that the Stoddart affidavit is of much assistance to the opponent in this opposition.

The opponent's trade-mark agent submitted at the oral hearing that the Opposition Board was not bound by the conclusion reached by Mr. Justice Strayer in respect of the issue of confusion

between the trade-mark MOLTONEL & Design and COTTONELLE in the Scott Paper Co. case, referred to above. In particular, the opponent's agent submitted that the legal burden in respect of the issue of confusion in an expungement proceeding is on the party seeking expungement of a registration whereas the legal burden in an opposition is on the applicant to establish that there would be no reasonable likelihood of confusion between its trade-mark and the trade-mark of the opponent. As well, the opponent's agent correctly noted that the material dates differ in the two proceedings. Further, in response to the observations of the learned trial judge that the applicant in the expungement proceeding could have submitted evidence of potential confusion between the trade-marks by way of a public opinion sampling, the opponent in this proceeding has submitted the affidavits of Dr. John Senders and Nicole Beaulieu.

Dr. Senders, a Research Professor of Engineering and Psychology in the Department of Mechanical Engineering of the University of Maine and Professor Emeritus of Industrial Engineering at the University of Toronto, lists his professional qualifications including the publication of a number of scientific articles on problems of human performance and perception and the presentation of many papers at many professional and scientific meetings. The affiant also notes that he has been engaged in research, teaching and consulting in the behavioral sciences since 1950 and has taught such courses as Experimental and Quantitative Psychology, Human Factors Engineering, Man-Machines Systems Analysis and Statistics at various universities, including the University of Minnesota, Brandeis University, the Massachusetts Institute of Technology, the University of Toronto, and the University of Maine. Additionally, Dr. Senders states that he has, from time to time over the ten years prior to the date of his affidavit, consulted with attorneys on problems involving trade-marks and registered names. Having regard to his professional qualifications, I consider that Dr. Senders has qualified himself as an expert in the behavioral sciences area.

Dr. Senders states that he has been asked to give an expert opinion on the question of whether the use of the word MOLTONEL and the design depicted in Exhibit "B" to his affidavit (which, I would note, is identical to the applicant's trade-mark) on bathroom tissue by another company is likely to cause consumers to think that the MOLTONEL product and bathroom tissue marked with the word COTTONELLE are manufactured or sold by the same company. The affiant also points out that his opinions are based on information gained from years of reading scientific reports on human cognitive and perceptual performance, from his discussions with his colleagues about scientific matters and from his own trained observations in human behaviour both in the laboratory and the outside world, all extending over more than 35 years of research and application, and from his own immediate perceptions of the competing words and designs. Further, the affiant states that he has

designed and carried out an experimental investigation to find out whether and to what extent there is confusion caused in the minds of typical buyers of such products and whether such typical consumers believe that the two products are made or sold by the same company.

Nicole Beaulieu, a graduate student in the Department of Psychology of McGill University in Montreal, states that she was asked to conduct a sample survey involving brands of bathroom tissue of persons in the city of Montreal and in the Ottawa/Hull region. According to Ms. Beaulieu, she was instructed to intercept 200 persons in a shopping centre in each region and to ask each respondent a series of questions after presenting one of two stimuli. The first stimulus, according to the affiant, was a four-roll package of bathroom tissue displaying the word MOLTONEL and a design (shown in Exhibit "A") while the second stimulus was a four-roll package of bathroom tissue displaying the word CAPRI and a design (shown in Exhibit "B"). Ms. Beaulieu then describes the manner in which she conducted the sample survey and the questions which she asked the respondents after identifying herself and stating she was conducting a survey.

The respondents selected by Ms. Beaulieu were females and all questions and other oral exchanges were in the French language. The respondent was first asked if she is the principal person who does the shopping at home and, if yes, has she bought bathroom tissue in the last three months. If the answer to either question was negative, the interview was terminated. The basis for asking the first two questions was to qualify the correct universe with respect to the survey and thereby avoid the objection being raised that the wrong people were being surveyed. According to Ms. Beaulieu, 98 respondents who answered affirmatively to the first two questions were shown the first stimulus while 102 who answered affirmatively were shown the second.

According to Ms. Beaulieu, in each case, the respondents were asked either: **"Quelle est la première chose qui vous vient à l'esprit en lisant le nom de ce produit?"** or **"Quel est le premier mot qui vous vient à l'esprit en lisant le nom de ce produit?"**. The data obtained in answer to the questions was included in a handwritten table comprising Exhibit "D" which identifies the response, if any, and stimulus used, as well as the response given, if any, to two probing questions **(Quelle chose d'autre?")** which were asked of each of the first 100 respondents who did not answer COTTONELLE to the first substantive question or to the first probing question. The second 100 respondents were asked each of the two probing questions even if they identified COTTONELLE in response to the first substantive question.

The first 100 respondents who had not answered COTTONELLE to the first three questions

were also asked the following question after being shown the first or second stimulus: **"Est-ce que ce produit vous rapelle d'autres marques de papier de toilette?"** and the answers were recorded. The second 100 respondents were asked the same question even if they had already answered COTTONELLE to one of the previous questions. Of the first 49 respondents who had not yet answered COTTONELLE to the above questions and who had been shown the first stimulus, 25 were given a card listing five brands of bathroom tissue and were asked: **"Pouvez-vous encercler une autre marque de papier de toilette qui, à votre avis, a été fabriquée par la même compagnie que celle qui a fabriqué ce produit?".** The responses to this question are set forth in detail in the Beaulieu affidavit.

Similar questions were posed to 200 respondents in the Hull/Ottawa region, 100 of whom were shown the first stimulus and 100 were shown the second. A similar tabulation of the responses was again prepared by the affiant and copies thereof were annexed to her affidavit.

The applicant submitted that Ms. Beaulieu, while having certain academic qualifications, has failed to identify in her affidavit her experience in conducting survey interviews. However, the applicant failed to identify any specific deficiencies in the manner in which Ms. Beaulieu conducted the interviews which she was asked to undertake. While the opponent's agent noted at the oral hearing that Ms. Beaulieu should not have terminated the initial interviews after receiving COTTONELLE as a response, I do not consider this to be a particularly relevant flaw in the survey which she conducted. Further, while the applicant raised some question as to the bases upon which Ms. Beaulieu determined which stimulus to show to which respondent, the applicant could have cross-examined Ms. Beaulieu in respect of such matters and elected not to do so. I am therefore not prepared to accord diminished weight to the opponent's survey evidence based on some minor technical point which the applicant has raised either in its written argument or at the oral hearing.

Dr. Senders has analyzed the results of the responses obtained in the survey conducted by Ms. Beaulieu and has studied the statistical significance of those results. Further, as the results in the Montreal and Hull/Ottawa areas were not significantly different, Dr. Senders concluded that the data could be combined for the two cities so as to be treated as a single sample. A detailed explanation of the analyses is set forth in Dr. Senders affidavit, from which the affiant concludes as follows:

> 38. The data found in the experiment demonstrate conclusively, at a high level of statistical significance, that the COTTONELLE product is immediately associated with the MOLTONEL product by between 18% and 32% of typical buyers of such products who have been shown the MOLTONEL product. We also find that the CAPRI product does not elicit such an immediate association. We may confidently reject the hypothesis that the COTTONELLE product would be associated with <u>any</u>

bathroom tissue product.

39. The data found in the experiment demonstrate conclusively, at a high level of statistical significance, that between 95% and 99% of typical buyers of such products who have been shown the MOLTONEL product are reminded of the COTTONELLE product. We also find that persons shown the CAPRI product are not reminded of the COTTONELLE product. We may confidently reject the hypothesis that any product would remind persons of the COTTONELLE product.

40. The data found in the experiment demonstrate conclusively, at a high level of statistical significance, that the MOLTONEL product is perceived to be manufactured by the same company which manufactures the COTTONELLE product by between 46% and 63% of typical buyers of such products. We also find that persons do not consider the CAPRI product to be manufactured or sold by the same company that manufactures or sells COTTONELLE product other than by random choice.

With respect to the admissibility and reliability of survey evidence in a trade-mark case, Mr. Justice MacKay in his reasons for judgment [Joseph E. Seagram & Sons Ltd. et al. v. Registrar of Trade Marks et al., 33 C.P.R. (3d) 454] dismissing an appeal from the decision of the Registrar of Trade-marks [3 C.P.R. (3d) 325] in respect of the registrability of the trade-mark SEAGRAM REAL ESTATE LTD. & Design, commented as follows [pp. 471-473]:

The opponent's survey evidence in this opposition does not appear to be subject to the criticisms noted by Mr. Justice MacKay in the SEAGRAM REAL ESTATE LTD. & Design case. Ms. Beaulieu submitted an affidavit in this opposition and was therefore available for cross-examination. The opponent selected females who purchase toilet tissue as its relevant universe and this certainly appears to be the right group of respondents. Approximately one-half of the respondents were shown a package of toilet tissue bearing the applicant's trade-mark, such that the environment for the survey appears to be reasonable. The other respondents were shown a control product (CAPRI toilet tissue) in order to confirm that the showing of any toilet tissue would not elicit a particular response, but rather would result in a random distribution in the responses obtained. The material date is not a relevant factor in this opposition in view of the Park Avenue decision and the

survey was conducted over a period of six days in two separate locations in the province of Quebec.

Dr. Senders has established that he is an expert in the area of human cognitive and perceptual performance which would qualify him to express the opinions set out in his affidavit. Further, as the applicant did not seek to cross-examine Dr. Senders on his affidavit, nor did the applicant file evidence of its own in an attempt to contradict the opinions expressed by Dr. Senders, I am of the view that the survey evidence is admissible and of significant probative value in this opposition, and particularly so the opinion expressed by Dr. Senders in paragraph 38 above.

The applicant submitted that the results obtained by the opponent in its survey did not represent a significant percentage. However, even were the results not sufficient to demonstrate that the trade-marks at issue are in fact confusing, the results obtained are certainly more than sufficient to assist the opponent in meeting the evidential burden on it, even given the decision of Strayer, J. in the Scott Paper Co. case, referred to above.

The one criticism which I have with respect to the opponent's survey evidence is the failure in the Senders affidavit to indicate why the interviews were held in Hull and Montreal. Nevertheless, with the results obtained by the opponent based on the interviews which were conducted amongst francophone females in the province of Quebec, I do not consider that there was any need on the part of the opponent to expand its survey to other areas or to include anglophone females as part of the universe.

In view of the above, I have concluded that the opponent has met the evidential burden on it in respect of the issue of confusion in this opposition. Further, as the applicant has adduced essentially no evidence of relevance to the issue of confusion, I have concluded that the applicant has failed to meet the legal burden upon it of establishing that there would be no reasonable likelihood of confusion between its trade-mark MOLTONEL & Design as applied to the wares covered in its application and the opponent's trade-mark COTTONELLE. Accordingly, the applicant's trade-mark MOLTONEL & Design is not registrable and not distinctive, and the applicant is not the person entitled to its registration.

I refuse the applicant's application pursuant to section 38(8) of the Trade-marks Act.

DATED AT HULL, QUEBEC THIS 31ST DAY OF JULY 1992.

G.W. Partington,
Chairman,
Trade Marks Opposition Board.