

Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2024 TMOB 53

Date of Decision: 2024-03-25

IN THE MATTER OF AN OPPOSITION

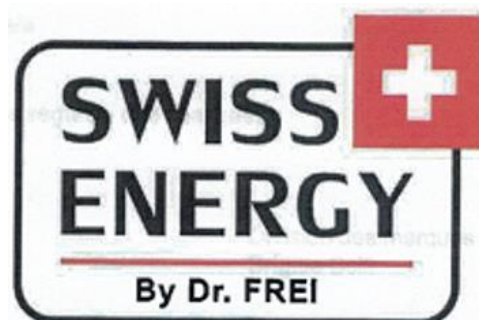
Opponent: Les Laboratoires Suisse Inc.

Applicant: SwissEnergy Pharma GmbH

Application: 1,929,167 for SWISS ENERGY & Design

OVERVIEW

[1] SwissEnergy Pharma GmbH (the Applicant) has applied to register the trademark SWISS ENERGY & Design (the Trademark) in association with “Vitamins; nutritional supplements consisting of minerals; preparations of trace elements for human and animal use”. The Trademark is reproduced below.



[2] Les Laboratoires Suisse Inc. (the Opponent) has opposed the application based on the Opponent's prior use of its trademark SWICAL ENERGY Design (the SWICAL Mark), reproduced below.



[3] For the reasons that follow, the opposition is rejected.

THE RECORD

[4] Application No. 1,929,167 was filed in Canada on November 7, 2018, based on use and registration in Switzerland. The application was advertised for opposition purposes in the *Trademarks Journal* of December 22, 2021. On June 22, 2022, the Opponent opposed the application by filing a statement of opposition pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act).

[5] The grounds of opposition are based on non-entitlement to register under section 16 of the Act and non-distinctiveness under section 2 of the Act. Both grounds are based on an allegation of confusion with the Opponent's SWICAL Mark.

[6] The Applicant filed a counter statement.

[7] In support of its opposition, the Opponent filed the declaration of Louis-Philip Vermeersch, affirmed on November 22, 2022. In support of its application, the Applicant filed the affidavit of Lesya Smirnova, affirmed on April 19, 2023, together with Exhibits A to F. No cross-examinations were conducted.

[8] Only the Opponent filed written representations. Both parties were represented at a hearing.

ONUS AND LEGAL BURDEN

[9] The legal onus is on the Applicant to show that the application complies with the provisions of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once this initial burden is met, the Applicant must satisfy the Registrar, on a balance of probabilities, that the grounds of opposition pleaded should not prevent registration of the Trademark [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298, 1990 CanLII 11059; *Dion Neckwear Ltd v Christian Dior, SA*, 2002 FCA 29].

EVIDENCE

Opponent's evidence

[10] Mr. Vermeersch is the Opponent's General Director and has held this position since 2015.

[11] At paragraph 5 of his declaration, Mr. Vermeersch defines "[TRANSLATION] dietary supplements, namely vitamin tablets containing calcium, magnesium and minerals" (« *suppléments alimentaires, nommément des comprimés vitaminiques contenant du calcium, magnésium et des minéraux* »), collectively, as "the Products" and uses that defined term throughout his declaration. For example, Mr. Vermeersch states that "Products" associated with the SWICAL Mark are sold in pharmacies, grocery stores, and other retailers including Walmart and Horizon Santé.

[12] Mr. Vermeersch attests that the Opponent uses and has used the trademark SWICAL ENERGY in association with the Products since 2013. He explains that between 2013 and 2017, the SWICAL ENERGY trademark was presented with both words on the same line. In 2017, trademark was updated to the SWICAL Mark's stacked configuration relied upon in the present proceeding and reproduced above.

[13] Mr. Vermeersch provides an image of product packaging illustrating the manner in which the SWICAL Mark has been used since 2017 in association with the Products.

The packaging identifies a “vitamin mineral supplement” product in the form of ampoules, *i.e.* small vials; the SWICAL Mark is displayed on that packaging.

[14] Mr. Vermeersch states that between 2014 and 2021, over 824,000 units of the Products were sold in association with the SWICAL Mark. The annual sales figures he provides average approximately 100,000 units sold in each of the years between 2014 and 2021. He further states that the vast majority (about 95%) of the Opponent’s sales are in the province of Québec.

[15] Mr. Vermeersch attests that he was informed of two incidents of actual confusion between the parties’ trademarks. The first incident was reported to him in June 2021, when a retailer associated promotional in-store material bearing the Applicant’s Trademark to the Opponent’s product. In support, Mr. Vermeersch provides a photograph depicting the Opponent’s ampoule product displayed in-store alongside a hangtag bearing the Trademark.



[16] The second incident was reported to Mr. Vermeersch in December 2021. In that case, a different retailer appears to identify the Opponent as the source for both parties’ products. In support, Mr. Vermeersch provides the image of a flyer excerpt showing a

promotion for products listed as SWICAL ENERGY products and SWISS ENERGY vitamins. Both products are listed under the heading “LABORATOIRE SUISSE”.



[17] Mr. Vermeersch also states that certain “[TRANSLATION] representatives reported having been questioned by retailers as to whether SWISS ENERGY products were a new product offered by the Opponent” (*« certains représentants m’ont rapporté s’être fait questionnés par les détaillants à savoir si les produits SWISS ENERGY étaient un nouveau produit de l’Opposante »*) [para 17].

Applicant’s evidence

[18] Ms. Smirnova is a contractor acting as Quality/Regulatory Director of the Applicant and has held this position since 2019.

[19] Ms. Smirnova states that the Applicant has developed a family of trademarks which incorporate the words “Swiss Energy” and “By Dr. Frei”. She adds that the Applicant has applied for or obtained registrations for those trademarks in countries around the world.

[20] In Canada, the Applicant has applied to register four trademarks in addition to the Trademark at issue in the present proceeding. Ms. Smirnova defines the “Swiss Energy Goods”, collectively, as meaning all of the goods listed in those five trademark applications pending in Canada. The Swiss Energy Goods therefore include a range of products that extend beyond the applied-for goods – they also include personal care products such as creams and shampoos, herbal teas, live animals namely dogs and cats, pet grooming products and pet food.

[21] According to Ms. Smirnova, Swiss Energy Goods are sold primarily through health food retail stores. Ms. Smirnova provides annual sales figures for 2019, 2020, and 2021 in Canada, and describes the sales figures as “showing [the Applicant’s] presence and increasing presence in the vitamin and nutritional supplements market in Canada” [para 18]. The sales figures increased from just over \$12,000 in 2019 to more than \$184,000 in 2021. I note that the figures are not broken down by product.

[22] Ms. Smirnova states that the Trademark has been used in Canada by the Applicant in association with the Swiss Energy Goods since at least as early as January 2019. Attached as Exhibit F to her affidavit, Ms. Smirnova provides examples of product labels. The exhibited labels identify the following types of products: “Magnesium + B Complex”, “Senna”, and Vitamin C + Zinc”, all in the form of effervescent tablets. I note that the Trademark is displayed on each label and I accept the Exhibit F labels as representative evidence of the manner in which the Trademark was displayed on Swiss Energy Goods sold in Canada since 2019.

[23] Ms. Smirnova states that the Applicant has received no comments from its retailers in Canada regarding any resemblance between the Trademark and the Opponent’s trademarks.

REASONS FOR DECISION

Non-entitlement to register ground

[24] Pursuant to section 38(2)(c) of the Act, the Opponent pleads that in view of section 16(1)(a) of the Act, the Applicant is not the person entitled to register the

Trademark due to the risk of confusion with the Opponent's SWICAL Mark, previously used in Canada by the Opponent in association with "[TRANSLATION] vitamin and mineral supplements" (« *suppléments vitaminiques et minéraux* »).

[25] The material date for assessing this ground is the filing date of the application. To meet its evidential burden, the Opponent must demonstrate that it previously used the trademark it relies upon and that it had not abandoned that trademark at the date of advertisement of the Applicant's application.

[26] As the Applicant pointed out, the Opponent's evidence of use of the SWICAL Mark turns on Mr. Vermeersch's statements concerning "the Products", which were defined by Mr. Vermeersch as vitamin tablets. Given that the Opponent's evidence depicts only vitamin supplements in the form of ampoules, the Applicant argues that the Opponent's evidence is ambiguous and unreliable, and should therefore be disregarded. In support of this position, the Applicant points to a recent summary expungement decision where the Registrar refused to accept use of the trademark SWICAL in association with vitamin ampoules as sufficient to maintain the registration for that trademark in association with vitamin tablets [*SwissEnergy Pharma GmbH and Les Laboratoires Suisse Inc*, 2023 TMOB 224].

[27] I agree with the Applicant that evidencing packaging for tablets rather than ampoules/vials would have been more consistent with Mr. Vermeersch's definition of "the Products". However, I do not consider that the Opponent's evidence of use must be disregarded as a result. It is worth noting that Mr. Vermeersch's declaration was prepared and filed before the summary expungement decision was issued and, therefore, without the benefit of knowing the Registrar's salient distinction between tablets and ampoules. In any event, considering Mr. Vermeersch's statements regarding the "illustrative" nature of the ampoule product packaging image, and noting that he was not cross-examined on this alleged ambiguity, I accept that this evidence provides an example of the manner in which the SWICAL Mark was displayed on the Opponent's products. As such, I conclude that the Opponent has adduced sufficient evidence to demonstrate some measure of use of the asserted SWICAL Mark in association with

vitamin and mineral supplements since at least as early as 2017, and that this trademark was not abandoned at the subject application's advertisement date.

[28] Consequently, it falls on the Applicant to demonstrate on a balance of probabilities that there was no likelihood of confusion between the Trademark and the SWICAL Mark as of the material date.

Test for confusion

[29] The test for confusion is set out in section 6(2) of the Act which provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely lead to the inference that the goods associated with those trademarks are manufactured or sold by the same person, whether or not the goods are of the same general class or appear in the same class of the Nice Classification. Therefore, section 6(2) of the Act does not deal with confusion between trademarks themselves, but with the likelihood that goods from one source will be perceived as being from another source.

[30] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees an applicant's mark, at a time when they have no more than an imperfect recollection of an opponent's trademark, and do not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20].

[31] In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time the trademarks have been in use; (c) the nature of the goods and services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 54].

[32] The Supreme Court of Canada has stated that the degree of resemblance between the trademarks will often have the greatest effect on the confusion analysis [*Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at para 49]. Given its importance, I will begin with the assessment of this factor.

Degree of resemblance between the trademarks

[33] The Opponent argued at the hearing that the overall impression of its SWICAL Mark is created by the combination of the red and white colours, together with the word elements SWICAL and ENERGY which are displayed on two separate lines. The Opponent submits that the Trademark reproduces those features, namely the red and white colour combination and words displayed on two lines. The Opponent further submits that the stacked configuration emphasizes the terms shared by the marks, namely the prefix SWI- and the word ENERGY.

[34] In response, the Applicant pointed out that the SWICAL Mark comprises white text on a red background, whereas the Trademark comprises black text on a white background. The Applicant also pointed out that the Trademark actually consists of three lines, rather than two, noting the “By Dr. FREI” element.

[35] The degree of resemblance between two trademarks must be assessed by considering each trademark in its totality, with a consideration of whether there is an aspect of the marks that is particularly striking or unique [see *Masterpiece, supra*, at para 64]. I find that the most striking aspect of the Opponent’s trademark is also the first portion of that mark, namely the term SWICAL. In contrast, I find that no part or element stands out particularly from the others in the Trademark, and I find that it is the whole of the Trademark that is striking or unique.

[36] It goes without saying that the trademarks are similar in view of the shared “SWI-” element and ENERGY term. However, as further discussed below, there are also important differences such as the Swiss flag and “By Dr. FREI” elements which are not present in the SWICAL Mark.

[37] When sounded, the degree of resemblance between “Swical Energy” and “Swiss Energy By Dr. Frei” is fairly low. The degree of visual resemblance is also low, in part because of the differences in the font, layout and colouring, but more importantly because of features not present in the SWICAL Mark, namely the Swiss flag and “By Dr. FREI” elements. Moreover, I find that the combination of those elements with the Trademark’s black rectangular outline give that mark a badge-like appearance not present in the visually simpler SWICAL Mark.

[38] Lastly, I find no meaningful similarities in the ideas conveyed by the marks. Indeed, given the presence of the term SWISS and the Swiss flag, the Trademark suggests the idea that the goods originate from Switzerland. On the other hand, as a coined word with no obvious meaning, the SWICAL Mark does not evoke any such connection to Switzerland. The Trademark further conveys the idea that the goods are “By Dr. FREI”, an idea which is also not suggested by the Opponent’s trademark. I note that while both marks convey the meaning of the shared word ENERGY, I do not consider the commonality of this suggestive dictionary word to be especially significant in view of the nature of the parties’ goods, namely vitamins and supplements.

[39] On balance, I find that the parties’ trademarks are more different than they are alike and that the degree of resemblance between them is low. Thus, this important factor favours the Applicant.

Inherent distinctiveness of the trademarks and the extent to which they have become known

[40] The overall consideration of this factor involves a combination of inherent and acquired distinctiveness of the trademarks.

[41] The inherent distinctiveness of a trademark refers to its originality or uniqueness. I consider the Opponent’s trademark to be inherently distinctive owing mainly to the first portion SWICAL, a coined term having no dictionary meaning in the English or French languages.

[42] The Applicant's Trademark is mostly comprised of common dictionary words together with rudimentary or descriptive design elements, namely a black rounded rectangle border, a red horizontal line, and the Swiss flag. Although "Dr. FREI" is not a dictionary word *per se*, I tend to agree with the Opponent that it conveys a meaning that appears to suggest the origin of the product or the identity of the person who originally developed the product. On the whole, I find that the particular badge-like appearance of the Trademark, including the reference to "Dr. Frei", lends some further measure of inherent distinctiveness to the Trademark.

[43] With respect to the extent to which the trademarks had become known as of the material date, the Opponent has provided evidence showing that the SWICAL Mark has been used in its current version by the Opponent since 2017. I therefore accept that the SWICAL Mark had become known to some extent as of the material date of November 7, 2018, but given the short period of use I do not consider such extent to be very significant.

[44] Although the Applicant's evidence also establishes some measure of use of the Trademark in Canada, no use has been evidenced prior to the material date.

[45] On balance, given the Opponent's evidence showing use of the SWICAL Mark prior to the material date and considering the strong inherent distinctiveness of the coined term SWICAL, this factor favours the Opponent.

Length of time the trademarks have been in use

[46] The Opponent's trademark has been in use since at least 2017 whereas use of the Applicant's Trademark only commenced after the material date.

[47] This factor favours the Opponent.

Nature of the goods or business; and nature of the trade

[48] The Opponent's goods are vitamin and mineral supplements, whereas the applied-for goods consist of vitamins, nutritional supplements consisting of minerals,

and preparations of trace elements for human and animal use. I consider that the nature of goods overlap.

[49] Both parties are in the vitamin and supplement business; they sell through similar, if not identical, channels of trade, namely retail stores selling health products such as pharmacies and health foods stores.

[50] These factors also favour the Opponent.

Additional surrounding circumstance – evidence of confusion in the marketplace

[51] When assessing the issue of the likelihood of confusion, evidence of actual confusion in the marketplace is a relevant surrounding circumstance. However, it is not dispositive and does not override the other factors in the section 6 analysis [see *Venngo Inc v Concierge Connection Inc*, 2015 FC 1338 at paras 123 to 126].

[52] In the present case, the Opponent relies on Mr. Vermeersch's statement at paragraph 17 of his declaration that "representatives" reported being "questioned" by retailers as to whether SWISS ENERGY products were the Opponent's products. The Opponent also relies on two specific incidents that it alleges constitute marketplace confusion, namely an in-store hangtag bearing the Applicant's Trademark which was displayed in close proximity to the Opponent's product, and a promotion advertised in a flyer where both parties' products were listed under the name of the Opponent.

[53] The Applicant submits that this evidence is irrelevant because confusion must not be assessed from the point of view of a retailer, and because two incidents of confusion are insignificant in the face of the hundreds of thousands of units allegedly sold by the Opponent and two years of co-existence in the marketplace. The Applicant also points to Ms. Smirnova's statement that no comments were received from its retailers regarding any resemblance between the Trademark and the Opponent's trademarks.

[54] I would first note that the alleged confusion events were reported to Mr. Vermeersch after the material date for this ground and it is not clear when these

events occurred. In any event, as discussed below, I consider the Opponent's evidence of actual confusion to be weak at best.

[55] With respect to the retailer questions, even if I were to set aside the hearsay issues attached to this evidence, I consider Mr. Vermeersch's statements in this regard to be self-serving and lacking specifics. Without factual particulars with respect to the nature, the context, and the timing of these inquiries, I cannot determine whether they constitute relevant instances of actual confusion.

[56] Similarly, the significance of the two alleged marketplace confusion incidents (*i.e.* the hangtag and flyer) is not clear. While I accept that these events suggest that retailers associated or linked the parties' products, in the absence of details regarding the circumstances that led them to do so, it would be just as reasonable to conclude that, for example, the products were knowingly associated to direct customer attention to a similar or alternative product without any confusion as to source.

[57] In my view, the Opponent's evidence of alleged confusion events falls short of what is required to inform the confusion analysis. Having said that, even if I were to consider this to be a surrounding circumstance relevant in assessing this ground, I would find the evidence to be relatively insignificant in view of the sales and co-existence in the marketplace as of 2019, and I would not find that it favours the Opponent to any meaningful extent.

Conclusion on likelihood of confusion

[58] The confusion issue to be decided is whether a typical consumer with an imperfect recollection of the SWICAL Mark, upon seeing the Trademark in association with the goods specified in the application, would be likely to think that the parties' goods share a common source.

[59] Having considered all of the surrounding circumstances, I find that the Applicant has met its legal onus with respect to the likelihood of confusion between the parties' trademarks. As mentioned above, the degree of resemblance between the parties' trademarks is the statutory factor that often has the greatest effect in deciding the issue

of confusion. In this case, I find that the low degree of resemblance between the parties' trademarks is sufficient to tip the balance in favour of the Applicant, despite other factors weighing in favour of the Opponent.

[60] In view of the foregoing, the non-entitlement ground of opposition based on confusion with the Opponent's SWICAL Mark is rejected.

Non-distinctiveness ground

[61] Pursuant to section 38(2)(d) of the Act, the Opponent pleads that, contrary to section 2 of the Act, that the Trademark is not distinctive in that it does not distinguish and is not capable of distinguishing the Applicant's goods from the Opponent's goods in view of the Opponent's prior use of the SWICAL Mark.

[62] The material date for assessing the non-distinctiveness ground is the date of filing of the statement of opposition. To meet its evidential burden under this ground, the Opponent must show that as of June 22, 2022, the SWICAL Mark was known to some extent in Canada and had a reputation in Canada that was "substantial, significant or sufficient" so as to negate the distinctiveness of the Trademark [see *Bojangles' International, LLC v Bojangles Café Ltd*, 2006 FC 657 at paras 33 and 34].

[63] In this case, while I accept that the Opponent has evidenced use of its SWICAL Mark, it is not clear that such evidence satisfies the Opponent's burden under this ground. In this respect, it is worth noting that, given the relative insignificance of the evidenced incidents of alleged marketplace confusion, I do not consider them to be sufficient to establish that the SWICAL Mark negated the inherent distinctiveness of the Trademark, and much less the distinctiveness of the Trademark acquired through sales of the Applicant's products as of the material date.

[64] In any event, to the extent that this ground would ultimately turn on the issue of confusion, I reach the same conclusion regarding the likelihood of confusion as above. In particular, having considered all of the surrounding circumstances, I would find that the Applicant meets its legal burden with respect to the likelihood of confusion between the parties' trademarks. In this regard, I note that the later material date for this ground

does not have a significant impact on the confusion analysis, given that both parties provided evidence of trademark use after the application filing date and both would therefore benefit from the longer period of use. In my view, considering the low degree of resemblance between the trademarks, even the Opponent's higher sales and slightly longer period of use would be insufficient to tip the balance in its favour.

[65] Accordingly, the non-distinctiveness ground of opposition is also rejected.

DISPOSITION

[66] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Eve Heafey
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2024-02-12

APPEARANCES

For the Opponent: Isabelle Jomphe

For the Applicant: Timothy Weiss

AGENTS OF RECORD

For the Opponent: Lavery, De Billy, LLP

For the Applicant: Timothy Weiss