

LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2015 TMOB 34
Date of Decision: 2015-02-26

**IN THE MATTER OF AN OPPOSITION
by Neutrogena Corporation to application
No. 1,355,794 for the trade-mark
NEUTROPHASE in the name of
NovaBay Pharmaceuticals, Inc.**

[1] NovaBay Pharmaceuticals, Inc. (the Applicant) is a biotechnology company which develops anti-infective and antimicrobial pharmaceutical products. It has applied to register the trade-mark NEUTROPHASE (the Mark) for goods which are described as:

“pharmaceuticals for the treatment of infections, namely anti-infectives; cleansing solutions for medical use, namely disinfectants, anti-bacterial lotions, solutions and soaps for cleaning the skin and hospital environments; disinfectants for medical instruments; medical cleansers for skin and wounds; pharmaceutical preparations for the treatment of eye diseases and conditions; pharmaceutical preparations for wounds” (as amended).

[2] Neutrogena Corporation (the Opponent) is a manufacturer of skin, hair and cosmetic products. It has opposed the application for the Mark primarily on the basis of an allegation that there is a likelihood of confusion between the Mark and several of its own trade-marks which consist of or incorporate the term NEUTROGENA and which have previously been registered and/or used or made known in Canada in association with a variety of its skin, hair and cosmetic products.

[3] For the reasons that follow, the opposition is successful, in part.

File History

[4] The application for the Mark was filed on July 16, 2007 and claims a priority filing date of January 19, 2007, based upon the Applicant's corresponding United States of America application No. 77/087,100.

[5] The application was advertised for opposition purposes in the *Trade-marks Journal* of March 23, 2011.

[6] On July 20, 2011, the Opponent opposed the application under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) by filing a statement of opposition. The grounds of opposition are based upon sections 30(a), 30(d), 30(e), 30(i), 12(1)(d), 16(2)(a), 16(2)(c), 16(3)(a), 16(3)(c) and 2 of the Act. The Applicant filed a counter statement denying each of the grounds of opposition on August 23, 2011.

[7] In support of its opposition, the Opponent filed the affidavit of Brian T. Jaenicke, sworn December 19, 2011 (the Jaenicke affidavit), as well as certified copies of twenty-four registrations for trade-marks which are owned by the Opponent and which consist of or contain the word NEUTROGENA. Mr. Jaenicke was cross-examined on his affidavit and the transcript of cross-examination and answers to undertakings form part of the record.

[8] In support of its application, the Applicant filed the affidavit of Russell Hoon, sworn November 20, 2012 (the Hoon affidavit), the affidavit of Scott J. Douglas, sworn November 21, 2012 (the Douglas affidavit) and the affidavit of Mary P. Noonan, sworn November 22, 2012 (the Noonan affidavit). None of the affiants were cross-examined.

[9] As evidence in reply, the Opponent filed the affidavit of Karen Blau, sworn July 17, 2013 (the Blau affidavit). Ms. Blau was not cross-examined.

[10] Both parties filed written arguments and attended a hearing.

Onus

[11] The Applicant bears the legal onus of establishing on a balance of probabilities that its application complies with the requirements 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 [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

Analysis of Grounds of Opposition

Section 30(a)

[12] The Opponent has pleaded that the application for the Mark does not conform to the requirements of section 30(a) of the Act as it does not contain a statement in ordinary commercial terms of the specific goods in association with which the Mark is proposed to be used. The Opponent has not specified in its pleading which goods are allegedly not described in ordinary commercial terms, nor has it indicated why. Moreover, the Opponent hasn't filed any evidence in support of this ground of opposition. In its written argument and at the hearing, the Opponent relied solely upon the Applicant's evidence.

[13] In particular, the Opponent directed my attention to various parts of the Hoon affidavit, wherein Mr. Hoon states that the Applicant intends to use the Mark in association with "non-antibiotic antimicrobial irrigants and wound cleansers" and that the NEUTROPHASE brand wound cleanser is a 0.01% hypochlorous acid solution available by prescription only [Hoon affidavit, paras 9 to 12]. The Opponent submits that the goods in the application for the Mark have not been described in ordinary commercial terms because they are not described as being available by "prescription-only".

[14] Although it can sometimes be helpful when assessing the likelihood of confusion between two trade-marks, it is generally not necessary for an applicant to include limitations or restrictions on the manner in which its goods may be sold in an application. I do not find the goods in the application for the Mark to be defined in something other than ordinary commercial terms as a result of the Applicant's failure to specify that they require a prescription in order to be purchased. As further pointed out by the Applicant, the manner in which "pharmaceutical preparations" and similar goods can be specified is set out in the *Wares and Services Manual*, to which I may have regard [*Effigi Inc v ZAM Urban Dynamics Inc* 2010 TMOB 214 at para 67]

and there is no indication in the *Manual* that the particular manner in which the Applicant's goods are sold must be specified.

[15] Accordingly, the section 30(a) ground of opposition is dismissed.

Sections 30(d) and 30(e)

[16] The Opponent has pleaded that the application for the Mark does not comply with section 30(d) of the Act because the Mark has not been used in the United States in association with all of the goods which are covered by the application for the Mark. In addition, the Opponent has pleaded that the application for the Mark does not comply with section 30(e) of the Act because the Applicant by itself or through a licensee, or by itself and through a licensee, does not intend to use the Mark in association with all of the goods which are listed in the application for the Mark.

[17] The Opponent has not filed any evidence in support of these grounds of opposition. Once again, the Opponent relies upon the Applicant's evidence. In particular, the Opponent notes that the Hoon affidavit discusses use of the Mark in relation to a category of products called "wound cleansers" but it does not specifically discuss each of the goods which are recited in the application for the Mark [Hoon affidavit, paras 3-5 and 9-12].

[18] The Opponent is essentially relying on the absence of affirmative statements of use or intended use for some of the specific goods which fall within the scope of those which are covered by the application for the Mark. Had the Opponent made an effort to produce even minimal evidence to cast some doubt on whether the Applicant's goods are available for sale, such evidence, in combination with the absence of any affirmative statements of use or intended use in Mr. Hoon's affidavit may have sufficed for the Opponent to meet its initial evidential burden. However, the Opponent has not provided any such evidence. Information regarding the Applicant's use or intended use may also have been elicited during cross-examination. However, the Opponent elected not to cross-examine Mr. Hoon on his affidavit. In these circumstances, I am not prepared to find that the Opponent has met its initial evidential burden. While it's true that the Opponent's initial burden is light under sections 30(d) and (e) because it has limited access to information regarding use relative to the Applicant, its burden is not eliminated

altogether [see *Corporativo de Marcas GJB, SA De CV v Bacardi & Company Ltd* 2014 FC 323].

[19] Accordingly the sections 30(d) and 30(e) grounds of opposition are dismissed.

Section 30(i)

[20] The Opponent has pleaded that the application for the Mark does not comply with section 30(i) of the Act in that the Applicant could not have been satisfied that it was entitled to use the Mark in view of the Opponent's prior use and registration of its NEUTROGENA trade-marks.

[21] Section 30(i) of the Act merely requires that an applicant declare in its application that it is satisfied that it is entitled to registration of its trade-mark. Where an applicant has provided the requisite statement, a section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. Mere knowledge of the existence of the Opponent's trade-marks does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Mark [see *Woot, Inc v WootRestaruant Inc Les Restaurants Woot Inc* 2012 TMOB 197 (CanLII)].

[22] The Applicant has provided the necessary statement and the Opponent has not demonstrated that this is an exceptional case. Accordingly, the section 30(i) ground is dismissed.

Registrability – Section 12(1)(d)

[23] The Opponent has pleaded that the Mark is not registrable under section 12(1)(d) of the Act, in view of the Opponent's registered NEUTROGENA trade-marks as set out in Schedule "A" attached hereto.

[24] The material date to assess this ground of opposition is the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)].

[25] I have exercised my discretion to check the register to confirm that the Opponent's registrations are extant [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Not all of them are. In particular, registration Nos. TMA462,460 and TMA452,586 have been expunged. The Opponent has therefore only met its evidentiary burden in relation to the remaining registrations which are set out in Schedule "A" and the issue is whether the Applicant has satisfied its legal onus to show that the Mark is not reasonably likely to cause confusion with any of the trade-marks which are the subject of those remaining registrations.

[26] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[27] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: 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 goods, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [*Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC)].

[28] In its submissions, the Applicant focused on the likelihood of confusion between the Mark and the Opponent's trade-mark NEUTROGENA, which is the subject of registration No. UCA042,692 for "...hand and body lotion, scrub cleanser, ...", registration No. TMA244,589 for "pharmaceutical products, namely a pharmaceutical skin preparation being a topical compounding solution" and registration No. TMA545,035 for "...acne masks and antiseptics...cleansing lotions, toners...preparations for the treatment of acne...", as well as the Opponent's trade-mark NEUTROGENA DERMATOLOGICALS, which is the subject of registration No. TMA756,482 for "skin and body care products, namely, soaps, cleansers..." [see

Schedule “A” for a more detailed listing of the goods which are associated with these trade-marks].

[29] The Applicant submits that it is unnecessary to consider all of the registrations which are listed in Schedule “A” separately, as the trade-marks of the Opponent which are most similar to the Mark are the aforementioned four trade-marks which contain the element NEUTROGENA, with the least amount of additional matter, in association with the most similar goods. The Applicant submits that if the Opponent cannot succeed with respect to these trade-marks, it would not be able to succeed with any of its other trade-marks, which are more dissimilar to the Mark in terms of appearance and in terms of the associated goods.

[30] The Opponent did not disagree with this approach and I don’t necessarily disagree with it either. However, I find it sufficient to focus my analysis solely on the three NEUTROGENA registrations, as I don’t find that the trade-mark NEUTROGENA DERMATOLOGICS would afford the Opponent any better chance of success. NEUTROGENA DERMATOLOGICS was likely included in view of statements made in Mr. Jaenicke’s affidavit about how these products were developed in consultation with medical practitioners, namely dermatologists for the treatment of acne and that they are used for cleaning the skin and classified as products and preparations for cleansing the skin for “medical use”. However, I note that the registration for NEUTROGENA DERMATOLOGICS (registration No. TMA756,482) indicates that the products are “non-medicated” and for the most part, they are covered by the Opponent’s NEUTROGENA registrations (registration Nos. UCA042692, TMA244,589 and TMA545,035).

[31] I will therefore focus my analysis on the trade-mark NEUTROGENA, which is the subject of registration Nos. UCA042692, TMA244,589 and TMA545,035, as in my view, this will effectively decide the outcome of this ground of opposition.

[32] Prior to assessing the criteria as set out in section 6(5), I wish to point out that I have not accorded any weight to any statements of personal opinion which have been made by the affiants in this case, as they involve questions of fact and law to be determined by the Registrar based on the evidence of record in the present proceeding. Such statements of personal opinion can be found in the Hoon affidavit (for example, parts of paras 37 and 38) and in the Jaenicke affidavit (for example, parts of paras 45, 46, 48-50).

Section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known

[33] The Opponent's trade-marks consist of a combination of the elements NEUTRO and GENA and the Mark consists of the elements NEUTRO and PHASE. As I may refer to dictionaries, I have consulted the online version of the *Canadian Oxford Dictionary (2d)* and I note that there are no entries for NEUTRO or for GENA. However, PHASE is a common word for which the first entry is: "a distinct period or stage in a process of change or development".

[34] I note that in addition to providing dictionary definitions for the word PHASE, Mr. Douglas has provided dictionary definitions for NEUTRO and GENA, which he obtained from the *dictionary.com* website and from *Webster's Third New International Dictionary* [Douglas affidavit, para 2, Exhibits "SD-1", "SD-2", "SD-3" and "SD-6"]. In these dictionaries, the word NEUTRO is defined as "neutral" and GENA is defined as "cheek". Notably, neither of these dictionaries appears to be Canadian in origin and it appears as though the *dictionary.com* results may have originated from a medical dictionary.

[35] In any event, the parties' trade-marks as a whole are coined words, which I do not find to have any obvious meaning in relation to their associated goods. I therefore find that both of the parties' trade-marks possess a fair degree of inherent distinctiveness.

[36] With respect to the extent to which the parties' trade-marks have become known, I note that the application for the Mark is based upon proposed use and the Applicant has not provided any evidence of use of the Mark in Canada. In fact, in the Hoon affidavit, Mr. Hoon simply makes statements about how the Applicant intends to use the Mark in Canada [Hoon affidavit, paras 9 and 28]. Moreover, to the extent that Mr. Hoon makes reference to the Applicant's advertising, promotional or academic activities or literature pertaining to its products, it is unclear whether any of it was directed to Canadian consumers or whether Canadian consumers had any exposure to it.

[37] At the hearing, the Applicant stated that the Opponent's evidence "speaks for itself" and indicated that it does not dispute the fact that the Opponent has sold lots of its NEUTROGENA products and established a reputation in Canada. I agree that the Jaenicke affidavit establishes

that the Opponent's NEUTROGENA trade-marks (including NEUTROGENA *per se*) have become quite well-known in Canada.

[38] According to Mr. Jaenicke, the Opponent manufactures a diverse product line ranging in scope from soaps, acne products, body cleansers, body moisturizers and cosmetics to facial cleansers, facial moisturizers, wrinkle prevention creams, hair-care, sun-care and men-care products [Jaenicke affidavit, para 4].

[39] In paragraphs 5 and 6 of his affidavit Mr. Jaenicke lists 27 NEUTROGENA trade-marks (the NEUTROGENA trade-marks) which the Opponent has registered in Canada. These include registration Nos. UCA042692, TMA244,589 and TMA545,035 for NEUTROGENA *per se*. In paragraph 7, Mr. Jaenicke provides a list of the products which the Opponent distributes and sells in Canada in association with its NEUTROGENA trade-marks.

[40] According to Mr. Jaenicke, the trade-mark NEUTROGENA *per se* was first used in Canada in April of 1952 [Jaenicke affidavit, para 12].

[41] In paragraph 13 of his affidavit, Mr. Jaenicke states that since April of 1952, sales in Canada of products in association with the Opponent's NEUTROGENA trade-marks has exceeded 770 Million U.S. Dollars. Mr. Jaenicke provides a breakdown of the approximate sales figures for the years of 1994 to October of 2011. Since 2001, the Opponent's annual sales have ranged between approximately \$40,000,000.00 and \$60,000,000.00 [Jaenicke affidavit, para 14]. Mr. Jaenicke has provided an annual breakdown of what portion of these sales is attributable to some of the NEUTROGENA products and trade-marks in paragraphs 15-27 of his affidavit.

[42] Exhibit "B" consists of photographs of a representative sampling of the packaging and/or products which are marked with the NEUTROGENA trade-marks. Mr. Jaenicke states that these photographs are representative of how the trade-marks have been used in Canada since their respective introductions into the Canadian marketplace [Jaenicke affidavit, para 36; Jaenicke Answers to Undertakings, Exhibit "2"]. Additional photographs are attached as Exhibits "G" and "H" [Jaenicke affidavit, paras 43 and 44, Jaenicke Answers to Undertakings, Exhibit "1"].

[43] In paragraph 33 of his affidavit, Mr. Jaenicke states that since 1998, advertising expenditures for the NEUTROGENA trade-marks in the Canadian marketplace has exceeded

104.2 million dollars CDN. An annual breakdown of these expenditures is also provided from 1998 (\$2,068,300.00) to 2011 (\$9,515,200.00) [Jaenicke affidavit, para 34].

[44] Exhibit “A1” consists of copies of some redacted media schedules from 2005 to 2011 detailing the various types of media that the NEUTROGENA trade-marks have appeared in, including television, magazines, the Internet, mall media, posters and shelters and movie slides. Attached as Exhibit “A2” are samples of advertisements which have appeared in various magazines [Jaenicke affidavit, para 35]. During cross-examination, Mr. Jaenicke admitted that for many of these samples, unless they contained a specific indication of being a Canadian publication or made reference to the Opponent’s Canadian licensee, he could not say with certainty whether they were circulated in Canada [Jaenicke transcript, Q. 38].

[45] In paragraph 38, Mr. Jaenicke states that the Opponent has had its own Canadian website since 2003, which also provides information about the Opponent’s products in Canada. It receives approximately 25,000 hits per month. Mr. Jaenicke has not confirmed whether all of these hits are Canadian hits.

[46] Overall, I am satisfied that the Opponent’s NEUTROGENA trade-marks have become quite well known in Canada.

[47] In view of the foregoing, I find that section 6(5)(a), which is an assessment of the combination of the inherent distinctiveness of the parties’ trade-marks and the extent to which they have become known, favours the Opponent, due to the fact that the Opponent’s trade-mark has become known to a much greater extent in Canada.

Section 6(5)(b) – the length of time each has been in use

[48] For the reasons set out above, this factor clearly also favours the Opponent.

Sections 6(5)(c) and (d) – the nature of the goods, services, trade and business

[49] When considering the parties’ goods, services and trades, it is the statements made in the application for the Mark and in the Opponent’s registrations that govern the assessment of the likelihood of confusion under section 12(1)(d) of the Act [see *Henkel Kommanditgesellschaft auf*

Aktien v Super Dragon Import Export Inc (1986), 12 CPR (3d) 110 (FCA) and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[50] Those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. Evidence of the parties' actual trades is useful in this respect [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA); *Procter & Gamble Inc v Hunter Packaging Ltd* (1999), 2 CPR (4th) 266 (TMOB); and *American Optical Corp v Alcon Pharmaceuticals Ltd* (2000), 5 CPR (4th) 110 (TMOB)].

[51] The application for the Mark (as amended) covers:

pharmaceuticals for the treatment of infections, namely anti-infectives; cleansing solutions for medical use, namely disinfectants, anti-bacterial lotions, solutions and soaps for cleaning the skin and hospital environments; disinfectants for medical instruments; medical cleansers for skin and wounds; pharmaceutical preparations for the treatment of eye diseases and conditions; pharmaceutical preparations for wounds”.

[52] The Opponent’s three NEUTROGENA registrations cover a range of products including, for example, “toilet soaps”, “scrub cleanser”, “hand and body lotion”, “pharmaceutical products, namely a pharmaceutical skin preparation being a topical compounding solution”, “acne masks and antiseptics”, “cleansing lotions”, “toners”, etc. [see Schedule “A” attached hereto]. Mr. Jaenicke characterizes the Opponent’s goods as being “skin, hair and cosmetic products” [Jaenicke affidavit, para 4].

[53] In his affidavit, Mr. Hoon describes the Applicant’s products as being wound cleansers indicated for “advanced wound care, among other uses” [Hoon affidavit, para 5]. He states that the Applicant intends to use the Mark in association with “non-antibiotic antimicrobial irrigants and wound cleansers” [Hoon affidavit, para 9]. He indicates that the Applicant’s wound cleanser is meant to be used under the supervision of healthcare professionals for cleaning and removal of foreign material including microorganisms and debris from wounds, for moistening absorbent wound dressings and for cleaning minor cuts, burns and superficial abrasions and irritations of the skin. In addition, the Applicant’s cleanser may be used for moistening and debriding acute and chronic dermal lesions and non-healing wounds, such as ulcers, post-surgical wounds, burns

and grafted and donor skin sites [Hoon affidavit, para 10]. Mr. Hoon further states that the active ingredient in the Applicant's wound cleanser is a hypochlorous acid solution [Hoon affidavit, para 11]. Mr. Jaenicke admitted during cross-examination that he wasn't aware of any NEUTROGENA product containing this type of solution.

[54] At the hearing, the Applicant submitted that there is no "intersection" between at least some of the parties' goods. In particular, the Applicant took the position that there was clearly no overlap between the Opponent's goods and the following goods of the Applicant: "pharmaceutical preparations for the treatment of eye diseases and conditions"; "pharmaceutical preparations for wounds"; "disinfectants for medical instruments"; and "disinfectants, antibacterial lotions, solutions and soaps for cleaning...hospital environments". With two exceptions, I agree.

[55] First, I don't read "cleansing solutions for medical use, namely, disinfectants, anti-bacterial lotions, solutions and soaps for cleaning the skin and hospital environments" as being cleansing solutions for medical use, namely, disinfectants, anti-bacterial lotions, solutions and soaps for *cleaning* the skin and for *cleaning* hospital environments. Rather, I read it as being: cleansing solutions for medical use, namely, disinfectants, anti-bacterial lotions, solutions and soaps which are for *cleaning* the skin and which are *for* hospital environments. Second, I find that there is also no clear overlap with respect to "medical cleansers for...wounds".

[56] Consequently, the goods in respect of which I find there to be no overlap with those of the Opponent are: "disinfectants for medical instruments", "medical cleansers for wounds", "pharmaceutical preparations for the treatment of eye diseases and conditions" and "pharmaceutical preparations for wounds".

[57] Mr. Jaenicke confirmed during cross-examination that he is not aware of the Opponent having any product which is marketed as being a wound cleansing solution and wound cleansers are not listed in any of the Opponent's registrations [Jaenicke transcript, Q 159]. In addition, the statement of goods in the Opponent's registrations does not cover any goods which overlap with or are similar in nature to "pharmaceutical preparations for the treatment of eye diseases and conditions" or "disinfectants for medical instruments". To the extent that the Opponent may have

attempted to define acne as being a type of wound at the hearing, this is not supported in the evidence.

[58] I consider there to be some overlap or similarities between the more broadly worded remaining goods in the application. In particular, “pharmaceuticals for the treatment of infections, namely anti-infectives”; “cleansing solutions for medical use, namely disinfectants, anti-bacterial lotions, solutions and soaps for cleaning the skin and hospital environments”; and “medical cleansers for skin”. I find these goods to be worded broadly enough to encompass or be considered similar to at least some of the Opponent’s NEUTROGENA products, as there is no indication that they relate specifically to wounds.

[59] With respect to the parties’ channels of trade, Mr. Jaenicke stated during cross-examination that the Opponent’s NEUTROGENA products are typically sold directly to consumers in Canada on an over-the-counter basis [Jaenicke transcript, Q 116]. Mr. Jaenicke also confirmed that the channels of trade for the Opponent’s NEUTROGENA products include pharmacies, department stores, big box or discount stores and over the internet via third party websites [Jaenicke transcript, Q’s 95-106]. Mr. Jaenicke was unable to confirm on cross-examination whether the Opponent’s products are available in hospitals.

[60] According to Mr. Hoon, the Applicant’s wound cleansers are available by prescription only and are intended to be used by surgeons and physicians in surgical and clinical settings [Hoon affidavit, para 12]. Mr. Hoon states that the Applicant’s products are sold to physicians, surgeons, hospitals, clinics and healthcare providers through a network of qualified distributors [Hoon affidavit, para 6]. Mr. Hoon has not indicated whether its products are available in or sold by pharmacies.

[61] As evidence in reply, the Opponent also filed the Blau affidavit, in which Ms. Blau, a private investigator, provides details of in-store and on-line investigations which she conducted to establish that products which might be considered to fall within the scope of some of those which are covered in the application for the Mark are available for sale in Canada without a prescription and that the Opponent’s NEUTROGENA products are sold alongside such products [Blau affidavit, paras 1-17, Exhibits “A” to “E”].

[62] According to Ms. Blau, there are numerous products available over the counter that could be perceived to be “disinfectant cleansers”, “antibacterial solutions” and “soaps” [Blau affidavit, para 2]. Ms. Blau makes this statement based on the names of the products, their ingredients and their claims. In paragraph 3 of her affidavit, Ms. Blau states that she visited two department stores, one grocery chain location, two chain drugstores and one small owner-operated drugstore. All except the last carried a variety of face and body cleansers and lotions that claim to be disinfectant, anti-bacterial or treat skin problems. The Opponent’s NEUTROGENA products appeared in close proximity to these products [Blau affidavit, para 3]. In paragraph 5 of her affidavit, Ms. Blau indicates that she conducted searches for products which are available over the counter in Canada and which may be considered to be similar to “cleansing solutions for medical use, namely, disinfectants, anti-bacterial lotions, solutions and soaps for cleaning the skin” as recited in the application for the Mark. Ms. Blau provides a partial list of such products in paragraph 5 of her affidavit. It is unclear how Ms. Blau compiled her list, but I note that at least some of the products which she has identified were also referenced in paragraph 3 of her affidavit. Ms. Blau includes photographs showing some of the various products on shelves in stores which she visited in close proximity to the Opponent’s NEUTROGENA products as Exhibits “A” to “E” of her affidavit. Ms. Blau has also provided some information regarding some on-line searching which she conducted [Blau affidavit, paras 4 and 6].

[63] The Applicant has objected to Ms. Blau’s affidavit as being improper reply evidence and takes issue with the internet component of her affidavit on the basis that it is hearsay. I am prepared to consider Ms. Blau’s affidavit as evidence in reply, as I find that it addresses statements which were made in the Hoon affidavit regarding the nature of the Applicant’s goods and its channels of trade. However, I am disregarding the internet component of the affidavit, as I agree that it does constitute hearsay evidence and cannot be relied upon as being truth of its contents [*Candrug Health Solutions Inc v Thorkelson* (2007), 2007 FC 411 (CanLII), 60 C.P.R. (4th) 35 (FC), reversed (2008), 2008 FCA 100 (CanLII), 64 CPR (4th) 431 (FCA)].

[64] Interestingly, the Applicant also takes the position that the Blau affidavit does not assist the Opponent in demonstrating confusion in any event, as the Applicant has never taken the position that over-the-counter cleansers and disinfectants are not available in Canada. Rather, the Applicant’s position is that its products are prescription-only products which accordingly travel

through different channels of trade from the Opponent's toiletries, cosmetics and personal care products. Be that as it may, the application for the Mark doesn't limit the Applicant's goods to prescription-only, nor does it restrict which channels of trade its products can be sold within.

[65] Despite how the Applicant has stated it sells its wound cleanser products in the United States and how it intends to do so in Canada, I find that there is still a potential for overlap in the parties' channels of trade. The Applicant has not affirmatively stated anywhere that it does not, cannot or will not sell its goods through pharmacies and while it does state that its products are "prescription-only", there is no such indication in the statement of goods in the application. There is also no evidence to establish that the Applicant's goods would be precluded from being sold "over-the-counter" as a result of regulatory requirements in Canada. The statement of goods in the application for the Mark also does not restrict the sale of the Applicant's goods to physicians, surgeons, hospitals, etc. and the Opponent is not precluded from marketing and providing its NEUTROGENA products to hospitals, clinics or physicians.

[66] Simply put, there are no restrictions in the statement of goods in the application for the Mark which would preclude the Applicant's wound cleansers or other goods from being sold through similar channels to those of the Opponent [See *Cartier Men's Shops Ltd v Cartier Inc* (1981), 58 CPR (2d) 68 (FCTD) at 73; *Eminence SA v. Registrar of Trade-marks* (1977), 39 CPR (2d) 40 (FCTD) at 43].

[67] In view of this, I do find that there is potential for overlap in the channels of trade which are associated with the parties' goods. As mentioned previously, I also find that there is overlap between some, but not all of the goods of the parties.

Section 6(5)(e) – the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[68] While the Supreme Court of Canada in *Masterpiece* observed that the first word of a trade-mark may be the most important for purposes of distinction [see also *Conde Nast Publications v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD)], it opined that the preferable approach is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique. In the present case, the Mark is formed of the single coined

word NEUTROPHASE. Likewise, the Opponent's trade-mark is formed of the single coined word NEUTROGENA. I find that the most striking or unique part of both of the parties' trade-marks is NEUTRO. It appears in the dominant first position of both and I find it to be the most unique or striking part of the Mark, as the latter component of the Mark is formed of the word PHASE, which is an easily recognized and common word. In view of this, in spite of the differences between the latter parts of the parties' trade-marks, I do find that there is a fair degree of resemblance between them.

Surrounding Circumstances

State of the Register and Marketplace

[69] The Applicant has introduced state of the register evidence through the Noonan affidavit and state of the marketplace evidence through the Douglas affidavit. Ms. Noonan is a trade-mark searcher employed by the agent for the Applicant. She conducted a search of the Canadian Trade-marks Database for any active trade-mark registrations or applications on the Canadian Trade-mark Register that contained any of the prefixes NEUTRO, NEUTRA, NEUTRI, NEUTRU, NEUTRE, NUTRO, NUTRA, NUTRI, NUTRU, or NUTRE. Her search revealed over 300 such entries on the Register [Noonan affidavit, paras 1 to 4]. Attached as Exhibit "1" to her affidavit is a print-out of the results of the search, together with details pertaining to the trade-mark applications returned in the results [Noonan affidavit, para 4]. In paragraph 5 of her affidavit, Ms. Noonan highlights approximately 40 applications and registrations in particular. Attached as Exhibit "2" to her affidavit is a certified copy of the file history for one trade-mark in particular, namely, NEUTROZONE (registration No. TMA787,881). Presumably, Ms. Noonan included the file history for this trade-mark in her evidence as it was once opposed by the Opponent. However, the Opponent notes that it is only registered for chemicals, perfumes and essential oils and not for any products which are of the same class as its NEUTROGENA products.

[70] Mr. Douglas attended various stores and purchased products sold under some of the trade-marks which were located in Ms. Noonan's search. Attached as exhibits to his affidavit are photographs of the products and receipts for his purchases [Douglas affidavit, paras 3-5, Exhibits "SD-10"- "SD-27"]. Notably, aside from products which appear to be the Opponent's, all of the

remaining products begin with the pre-fix NUTRI (for example, NUTRISSE, NUTRI-SLEEK, NUTRI-SKIN, NUTRIEXTRA, etc.).

[71] The Opponent criticizes the Noonan affidavit on the basis that Ms. Noonan's search covered an overly broad range of goods (i.e. "pharmaceutical or cosmetic uses and products") and therefore located trade-marks which were associated with vastly different goods than those of the Opponent. In addition, the Opponent notes that the bulk of the trade-marks located in Ms. Noonan's search contain elements such as NUTRI, NUTRA, etc. and not NEUTRO, which is the pre-fix featured in the parties' trade-marks. Similarly, the Opponent has pointed out that aside from the Opponent's products which begin with the prefix NEUTRO, the products purchased by Mr. Douglas are all sold under trade-marks beginning with the prefix NUTRI.

[72] The Opponent submits that the only marks of relevance in the Noonan affidavit are registration No. TMA453,057 for MUSTELA NEUTRO PROTECTION & Design, which bears little resemblance to the Opponent's trade-mark, Application No. 1,226,113 for NEUTROPHASE, which seems to cover chemicals used to make products, rather than products themselves, and registration No. TMA472,910 for NEUTRON & Design which has been expunged. Presumably, the Opponent has also taken into account NUTROZONE (registration No. TMA787,881), which it also contends covers different goods. Aside from these trade-marks (and the Mark), all of the other NEUTRO containing trade-marks located in Ms. Noonan's search belong to the Opponent. The remainder of the over 300 trade-marks which were located in Ms. Noonan's search are formed of the other elements which Ms. Noonan searched for (i.e. NUTRI, NUTRA, etc.).

[73] In its written argument, the Applicant makes reference to the approximately 40 trade-marks which were highlighted in the Noonan affidavit, which it contends relate to skincare or similar personal care products. It further points to the Douglas affidavit as evidencing use of at least some of these trade-marks in the marketplace. The Applicant submits that little weight should be accorded to the NEUTRO element as a distinguishing element of the Opponent's NEUTROGENA trade-marks. The Applicant submits that in light of the widespread co-existence of NEUTR-type marks on the Register and in the marketplace, the Opponent ought not to be

accorded a wide monopoly over the use of NEUTR-type marks with similar cosmetic and personal care products, let alone in unrelated product categories.

[74] It is generally accepted in case law that state of the register evidence is relevant insofar as one can make inferences from it about the state of the marketplace and that inferences about the state of the marketplace can be drawn where large numbers of relevant registrations are located [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 C.P.R. (3d) 205 (FCTD); *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)]. The Applicant in this case has located a relatively large number of trade-marks on the Register and it has evidenced use of a fair number of them in the marketplace. However, the relevance of many of them is questionable.

[75] As noted by the Opponent, the vast majority of those trade-marks do not incorporate the prefix NEUTRO, which is the prefix that is featured in the parties' trade-marks. In fact, the evidence shows that aside from the parties' trade-marks there are few other NEUTRO containing marks on the Register and arguably, they differ somewhat from the marks of the parties either in terms of resemblance or in terms of their associated goods. While marks containing similar prefixes such as NUTRI, NUTRA, etc. are not entirely irrelevant, I do not find that their existence enables me to draw a meaningful inference about whether consumers would likely be better able to distinguish between the parties' NEUTRO containing marks, given that they do not co-exist with a large number of other NEUTRO marks on the Register or in the marketplace. In view of this, I am not prepared to accord substantial weight to the Applicant's state of the register and state of the marketplace evidence.

Use/Registration in Other Jurisdictions

[76] The Applicant has pointed out that it is the owner of trade-mark registrations worldwide for the Mark and that the Mark has been used in association with its products in many countries worldwide [Hoon affidavit, paras 25-28, Exhibit "9"]. In his affidavit, Mr. Hoon indicates that he is not aware of any examples of consumer confusion between the Mark and any of the Opponent's trade-marks [Hoon affidavit, para 38]. Little can be drawn from the fact that trade-marks co-exist in other jurisdictions as there may be factors that justify their co-existence on the register or in the marketplace elsewhere that do not exist in Canada (e.g. differences in the law or

a different state of the register). The Registrar's decision must be based on Canadian standards, having regard to the situation in Canada [see *Quantum Instruments, Inc v Elinca SA* (1995), 60 CPR (3d) 264 (TMOB); *Vivat Holdings Ltd v Levi Strauss & Co* (2005), 2005 FC 707 (CanLII) 41 CPR (4th) 8 (FC) citing *Re Haw Par Brothers International Ltd v Registrar of Trade Marks* (1979), 48 CPR (2d) 65 (FCTD) and *Sun-Maid Growers of California v Williams & Humbert Ltd* (1981), 54 CPR (2d) 41 (FCTD)].

Conclusion

[77] Having considered all of the surrounding circumstances, I find that the Applicant has not met its legal burden with respect to certain goods, namely “pharmaceuticals for the treatment of infections, namely anti-infectives”; “cleansing solutions for medical use, namely disinfectants, anti-bacterial lotions, solutions and soaps for cleaning the skin and hospital environments”; and “medical cleansers for skin”. I reach this conclusion due to the similarities between the marks, the overlap with respect to such goods and potential channels of trade, and the fact that only the Opponent's NEUTROGENA trade-marks have acquired any distinctiveness in Canada.

[78] As mentioned previously, I find that these goods are so broadly worded that they could encompass or be considered similar to at least some of the products in association with which the Opponent uses its NEUTROGENA trade-marks. There is no indication that they relate specifically to wounds. In addition, there is no indication in the application for the Mark that the Applicant's goods are available by prescription only, that they are sold only to a certain class of consumer (for example, surgeons or physicians), that they may only be used in a certain environment (for example, in hospitals or clinics) or by certain professionals, as opposed to directly by the average everyday consumer who shops at pharmacies and other stores for skin care products. As currently described, the scope of these goods goes well beyond the limitations which the Applicant claims are applicable to them. Had the description of goods in the application for the Mark been more precise and included at least some limitations which would take these goods outside of the ambit of what the Opponent is doing with its NEUTROGENA trade-marks, I would have concluded differently with respect to these goods.

[79] I have concluded differently with respect to the remaining goods. When one considers the remaining goods set out in the application, namely, “disinfectants for medical instruments”,

“medical cleansers for wounds”, “pharmaceutical preparations for the treatment of eye diseases and conditions” and “pharmaceutical preparations for wounds”, I find that there is not a reasonable likelihood of confusion because the Opponent’s trade-marks have not acquired any reputation beyond its personal care, skin care and cosmetic products, which differ in nature from the aforementioned goods. There is no evidence that the Opponent has sold any of these types of goods or that it would be a natural extension of its business to do so. The Opponent’s evidence has not established that its trade-marks are entitled to a scope of protection that extends much beyond the particular types of goods in association with which they have been used.

[80] Accordingly, the section 12(1)(d) ground of opposition succeeds, but only to the extent set out above.

Non-Entitlement – Section 16

[81] The Opponent has pleaded that the Applicant is not the person entitled to register the Mark because as of the filing date of the application for the Mark, the Mark was confusing with the Opponent’s family of trade-marks as set out in Schedules “A” and “B” attached hereto, which had been previously used in Canada or made known by the Opponent.

[82] In addition, the Opponent has pleaded that the Applicant is not the person entitled to register the Mark because as of the filing date of the application for the Mark, the Mark was confusing with the Opponent’s trade-name NEUTROGENA CORPORATION, which had been previously used in Canada by the Opponent.

[83] The Opponent has an initial evidential burden under this ground of opposition to establish: (i) use of its trade-marks or trade-name as of the priority filing date of the application for the Mark; and (ii) non-abandonment as of the date of advertisement of the Mark.

[84] In the circumstances of this case, nothing turns on the date at which the issue of confusion is determined. Therefore the outcome of the non-entitlement grounds is the same as the outcome of the section 12(1)(d) ground.

Non-Distinctiveness – Section 2

[85] The Opponent has pleaded that the Mark is not distinctive of the goods of the Applicant because it is not adapted so as to distinguish them from those of the Opponent, which are set out in its registrations for its NEUTROGENA trade-marks.

[86] The material date for assessing confusion under this ground is the filing date of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 2004 FC 1185 (CanLII), 34 CPR (4th) 317 (FC)]. The Opponent has met its initial burden since its evidence establishes that its marks had, at that time, acquired a reputation in Canada that was sufficient to affect the distinctiveness of the Applicant’s Mark [see *Bojangles' International LLC v. Bojangles Café Ltd* (2006), 2006 FC 657 (CanLII), 48 CPR (4th) 427 (FC)].


[87] In the circumstances of this case, nothing turns on the date at which the issue of confusion is determined. Therefore the outcome of the distinctiveness ground is the same as the outcome of the section 12(1)(d) ground.

Disposition

[88] In view of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application with respect to the goods “pharmaceuticals for the treatment of infections, namely anti-infectives”; “cleansing solutions for medical use, namely disinfectants, anti-bacterial lotions, solutions and soaps for cleaning the skin and hospital environments”; and “medical cleansers for skin” and I reject the opposition with respect to the remainder of the goods pursuant to section 38(8) of the Act [see *Produits Ménagers Coronet Inc v Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 CPR (3d) 482 (FCTD) as authority for a split decision].

Lisa Reynolds
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A

Trade-Mark	Registration No.
NEUTROGENA	UCA42,692
WARES: (1) Toilet soaps (2) Shampoo. (3) Bath gel. (4) Hand cream. (5) Hand and body lotion. (6) Scrub cleanser. (7) Body oil.	
NEUTROGENA CLEAR PORE TREATMENT	TMA473,773
WARES: (1) Medicated skin care preparations; namely, pore clarifying treatment.	
NEUTROGENA DAILY MOISTURE SUPPLY	TMA539,356
WARES: (1) Hand and body lotion.	
NEUTROGENA DEEP CLEAN	TMA540,016
WARES: (1) Cosmetics and toiletries for cleaning and care of skin, namely, liquid facial and body cleansing preparations, non-medicated cleansing strips, masks, scrubs and toner astringent	
NEUTROGENA DESIGN	TMA280,713
	
WARES: (1) Cosmetic preparations, namely, face and body creams, hair rinses, hair pomade,	
NEUTROGENA GLOW	TMA462,460
WARES: (1) Sun protection preparations, namely, sunless tanning lotions and sprays, sunscreen and sun-block lotions and creams.	
NEUTROGENA HEALTHY SCALP	TMA540,314
WARES:	

(1) Shampoos.

NEUTROGENA HEALTHY SKIN	TMA476,768
WARES: (1) Skin moisturizers.	

NEUTROGENA INTENSIFIED DAY MOISTURE	TMA543,669
WARES: (1) Facial moisturizing cream.	

NEUTROGENA INTENSIFIED EYE MOISTURE	TMA452,586
WARES: (1) Facial moisturizers, eye creams, gels, lotions, cleansers and cleansing pads.	

NEUTROGENA MOISTURE	TMA372,593
WARES: (1) Cosmetics, namely, facial moisturizers.	

NEUTROGENA	TMA244,589
WARES: (1) Pharmaceutical products, namely a pharmaceutical skin preparation being a topical compounding solution.	

NEUTROGENA	TMA545,035
WARES: (1) Cosmetic and cosmetic products and specialties, namely, soaps for personal use. (2) Acne masks and antiseptics. (3) Hand and foot creams. (4) Shower and bath gels. (5) Body oils and lotions. (6) Shampoos. (7) Hairs conditioners. (8) Face creams and lotions. (9) Cleansing lotions, toners. (10) Preparations for the treatment of acne, sunblock, creams and lotions, self-tanners.	

NEUTROGENA TRIPLE MOISTURE	TMA646,116
WARES:	

(1) Hair care preparations, namely, shampoos, conditioners and treatments.
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NEUTROGENA CLINICAL	TMA781,192
WARES: (1) Non-medicated skin care preparations.	

NEUTROGENA MEN	TMA746,952
WARES: (1) Facial and skin care preparations, namely, face wash, face scrub; shaving preparations, namely, shaving cream, shaving gel, post-shaving lotion. (2) Skin and hair care preparations, namely, hair and body wash. (3) Facial and skin care preparations, namely, moisturizing lotion.	

NEUTROGENA WAVE	TMA749,710
WARES: (1) Exfoliating and cleansing devices, namely, battery-operated hand-held skin exfoliating and cleansing units.	

NEUTROGENA HEALTHY SKIN REJUNVENATOR	TMA719,637
WARES: (1) Battery-operated hand-held skin exfoliators and exfoliating pads.	

NEUTROGENA DERMATOLOGICS	TMA756,482
WARES: (1) Skin, and body care products, namely, soaps, cleansers, foams, facial gels, facial treatments, namely, moisturizers, masks, toners, gels, scrubs, wipes; non-medicated acne treatments namely, cleansers, masks, soaps, wipes, toners, astringents, moisturizers.	

NEUTROGENA 60 SECOND HAIR REPAIR	TMA670,440
WARES: (1) Hair conditioner.	

NEUTROGENA SKIN TRANSFORMING	TMA674,732
WARES: (1) Non-medicated preparations for the care of the skin; facial creams and moisturizers, face lotions; creams and lotion for the face; non-medicated protective and moisturizing creams.	

NEUTROGENA SENSITIVE SKIN SOLUTIONS	TMA671,515
WARES: (1) Facial skin care products, namely, facial cleanser, facial toner; body cleanser and body wash.	
NEUTROGENA BUILD-A-TAN	TMA656,957
WARES: (1) Sunless tanners.	
NEUTROGENA ULTRA SHEER	TMA677,325
WARES: (1) Sunblocks	
NEUTROGENA BLACKHEAD ELIMINATING	TMA671,500
WARES: (1) Personal soaps for use on the face and body; non-medicated toilet preparations, namely, toners; non-medicated preparations for the care of the skin; face cleansers; body cleansers; face toners; body toners; toner astringent; pore clarifying scrubs.	
NEUTROGENA IT WORKS	TMA675,635
WARES: (1) Toilet soaps; shampoos; conditioners; anti-dandruff shampoos and conditioners; scalp treatments; styling aids, namely, conditioners, mousses; non-medicated preparations for the care of the skin, namely creams, lotions, emulsions, gels, cleansers and beauty masks.	

SCHEDULE B

Trade Mark	Date of First Use
NEUTROGENA	April, 1952
NEUTROGENA CLEAR PORE TREATMENT	July, 1995
NEUTROGENA DEEP CLEAN	August, 1998
NEUTROGENA GLOW	June 11, 1996
NEUTROGENA HEALTHY SCALP	January 18, 2001
NEUTROGENA HEALTHY SKIN	April 24, 1997
NEUTROGENA INTENSIFIED DAY MOISTURE	September, 1993
NEUTROGENA MOISTURE	June 15, 1990
NEUTROGENA MEN	February 10, 2003
NEUTROGENA 60 SECOND HAIR REPAIR	July 17, 2006
NEUTROGENA SKIN TRANSFORMING	September 26, 2006
NEUTROGENA SENSITIVE SKIN SOLUTIONS	August 4, 2006
NEUTROGENA BUILD-A-TAN	December 22, 2005
NEUTROGENA ULTRA SHEER	November 2, 2006
NEUTROGENA BLACKHEAD ELIMINATING	August 2, 2006
NEUTROGENA TRIPLE MOISTURE	July 6, 2005
NEUTROGENA IT WORKS	October 10, 2006