

IN THE MATTER OF AN OPPOSITION
by Chanel, S.A. to application No.
592,768 for the trade-mark JANELLE
filed by Lander Co. Canada Limited

On October 1, 1987, the applicant, Lander Co. Canada Limited, filed an application to register the trade-mark JANELLE based on proposed use in Canada with the following wares:

cosmetics and toiletry preparations namely hair shampoos, creme rinses, bubble bath, bath oils, creams, both medicated and non-medicated hair straighteners, petroleum jelly, mouthwash, deodorants and anti-perspirants, talcum powder, colognes, perfumes; baby shampoo, baby oil, baby powders, baby lotions, baby soap; astringent lotion, toilet water, skin freshener (lotion), rouge, lip-stick, bath salts, face powder, men's cologne, after-shave, soap, vanishing cream, eau de cologne, lemon lotion, cucumber lotion, witch-hazel lotion, massage cream, muscle oil cream, sachet, shaving cream, tissue cream, pore cream, bleach cream, eyelash cream, depilatory cream, blackhead remover, hair tonic, liquid hair dressing, dental cream tooth powder, manicuring preparations, namely, nail polish remover, nail white, cuticle softener, cuticle cream, after bath freshener.

The application was advertised for opposition purposes on July 27, 1988.

The opponent, Chanel, S.A., filed a statement of opposition on November 25, 1988, a copy of which was forwarded to the applicant on December 16, 1988. The grounds of opposition include one based on Section 12(1)(d) of the Trade-marks Act, namely that the applied for trade-mark is not registrable because it is confusing with the opponent's trade-mark CHANEL registered under No. UCA18468 for the following wares:

(1) toilet preparations, namely perfume, eau de cologne, eau de toilette, bath powder, bath oil, after bath oil, body creme, milk bath creme, bathing gel, soap, eau de parfum, after shave, after shave moisturizer, shave cream, after shave balm, cologne, deodorant stick, moisture balm, protective skin conditioner (2) cosmetic products, namely skin creams, beauty masks, body lotion, moisturizers, blush, liquid and creme makeup, toner, freshener, lip makeup, nail enamel, nail enamel remover, nail and cuticle treatment, powder, eye makeup, skin cleansers, makeup remover, makeup brushes.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavits of Normand S. Pitre and Bernard Lehman. Both Messrs. Pitre and Lehman were cross-examined on their affidavits and the applicant filed transcripts of those cross-examinations. The opponent subsequently indicated that it would not be relying on the Lehman affidavit and by letter dated September 11, 1990 that affidavit was returned to the opponent. As its evidence, the applicant filed the affidavits of Solomon Gold and Sandra M. Byrne. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

As a preliminary matter, the opponent submitted that since it had withdrawn the Lehman affidavit, the transcript of the cross-examination of Mr. Lehman should also not form part of the record of this proceeding. I disagree. While an opponent is free to withdraw an affidavit filed by it, it does not have the same authority over the transcript of a cross-examination conducted in respect of that affidavit. It is the applicant's cross-examination and it is the applicant's decision whether or not to file the transcript. So long as the grounds of opposition in support of which the affidavit has

been filed are still in issue, the applicant should still be able to rely on its cross-examination even where the opponent has subsequently withdrawn the affidavit: see Roskate Investments Ltd. v. Hefner (1976), 13 O.R.(2d) 599 at 600 (Ont. S.C.) and Re Canadian Workers Union and Frankel Structural Steel Ltd. (1976), 12 O.R.(2d) 560 at 575 (Ont. H.C.J.). To hold otherwise would be unfair since it would allow a party to clear the record of any damaging admissions which may have been made on cross-examination. This situation is somewhat analogous to one where a party seeks to rely on evidence filed in another proceeding in that the applicant is seeking to rely on evidence from the opponent which would not otherwise have been available to it: see Speedo Knitting Mills Pty. Ltd. v. Christina Canada Inc. (1986), 11 C.P.R.(3d) 529 at 535 (T.M.O.B.).

As a further preliminary matter, the opponent requested leave at the oral hearing to file a certified copy of a re-amended statement of claim from an action in the Federal Court by the present opponent against a number of defendants (Court No. T-1876-91). Given the lateness of the opponent's request, the failure to submit the evidence by way of an affidavit or statutory declaration, the marginal relevance of the evidence and the fact that the applicant did not consent to its admission, I refused the request pursuant to Rule 46(1) of the Trade-marks Regulations.

As for the ground of opposition based on registration No. UCA18468, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

The applicant's trade-mark JANELLE would likely be perceived as a given name and is thus not inherently strong. There is no evidence of use of the applicant's mark and I must therefore conclude that it has not become known at all in Canada.

The Lehman transcript (pages 49-50) and the excerpts from telephone directories appended as exhibits to the Gold affidavit establish that CHANEL is a surname although it would not appear to be a common surname. Thus, the opponent's mark, too, is not inherently strong. However, the Pitre affidavit evidences extensive sales and advertising in Canada of CHANEL cosmetic products and toiletries by Parfumerie Versailles Limitée either as a licensee or as a distributor. That company had been a registered user of the opponent's registered trade-mark for many years and thus any use of the trade-mark CHANEL by it prior to the elimination of the registered user provisions from the Trade-marks Act was deemed to have been use by the opponent. Alternatively, from a review of the terms of the previously subsisting registered user records, I am able to conclude that Parfumerie Versailles Limitée had been licensed by the opponent to use the mark CHANEL. Thus, any use or advertising of the registered mark by Parfumerie Versailles Limitée is deemed to have been use or advertising by the opponent pursuant to current Section 50(1) of the Act. Thus, I am able to conclude that the opponent's trade-mark has become very

well known throughout Canada.

The applicant made much of the fact that Parfumerie Versailles Limitée adopted different means of selling CHANEL products in Canada. In some instances, it imported concentrates from France and manufactured fragrance products using the concentrates. In other instances, it imported cosmetic products in a finished state from Chanel Inc. in the United States. In the case of soap, it arranged to have it manufactured by another company. However, the packaging used for the various products was all either anonymous as to source or it identified Parfumerie Versailles Limitée as a distributor. Thus, the consistent message generated to the Canadian public was that there was one (albeit unknown) source for CHANEL products. Identifying Parfumerie Versailles Limitée as a distributor was not inconsistent with that message and insofar as any of that company's activities could be viewed as licensed use or advertising of the mark, such use or advertising accrued to the benefit of the opponent.

The length of time the marks have been in use favors the opponent. As conceded by the applicant, the wares of the parties are very similar (see page 19 of the applicant's written argument). It therefore follows that the trades of the parties would, or could, be similar. The applicant has argued that the opponent's wares are expensive items aimed at the upper end of the market and that consequently the trades of the parties would be different. However, there is no such limitation in either the applicant's statement of wares or the statement of wares appearing in the opponent's registration and that is what governs: see the decisions in Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.) and Henkel Kommanditgesellschaft v. Super Dragon (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.).

As for Section 6(5)(e) of the Act, there is only a minor degree of visual resemblance between the marks at issue as a consequence of the common use of the letters ANEL. Likewise, there is only a minor degree of resemblance between the ideas suggested in that both marks would generally be perceived as names. However, there is a fairly high degree of phonetic resemblance between the two trade-marks. Both marks would be perceived as French names and the letters JA in the applicant's mark would therefore be pronounced much like the letters CHA in the opponent's mark. Both marks would be pronounced with an accent on the second syllable. The applicant submitted that its proposed mark would be pronounced as "Jan-el" with the accent on the first syllable. However, there is no evidence to support this contention.

The applicant contended that the state of the register evidence introduced by means of the Byrne affidavit reduces the impact of any degree of resemblance that there might be between the parties' marks. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see the opposition decision in Ports International Ltd. v. Dunlop Ltd. (1992), 41 C.P.R.(3d) 432 and the decision in Del Monte Corporation v. Welch Foods Inc. (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). Also of note is the recent decision in Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd. (1992), 43 C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

In the present case, the results of the Byrne search must be given reduced weight. Ms. Byrne simply states that she obtained copies of registrations by accessing the DYNIST database without indicating what that database is or how she accessed it. The reduced reliability of her search is apparent from the purported copies of registrations she appended to her affidavit. Although the copies appear to provide information relating to a number of trade-mark registrations, they provide incomplete particulars. Some of the copies do not even identify the trade-mark except to note that it is a design mark.

Placed at its highest, the Byrne affidavit establishes the existence of 19 trade-marks on the register having the suffix ELLE and registered for cosmetic products, toiletry preparations or related wares. Those 19 registrations are owned by 17 different owners. Given those numbers, I can conclude that at least some of those marks are in active use and that consumers would therefore have become accustomed to a limited extent to seeing ELLE-suffixed marks in the relevant trade. They would therefore be somewhat more likely to distinguish such marks based on the components other than the suffix ELLE. Such a finding, however, is of little consequence in the present case since only the applicant's mark includes the suffix ELLE and since its mark and the opponent's mark CHANEL bear such a fairly high degree of phonetic similarity.

The applicant has also submitted that if the opponent's trade-mark CHANEL is well known (which it does not admit), then this would reduce the likelihood of confusion. In this regard, the applicant relied on the decision in Imperial Oil Limited v. Superamerica Stations Inc. (1965), 47 C.P.R. 57 at 67 (Ex. Crt.) in which President Jackett found that the trade-mark SA was not confusing with the mark ESSO notwithstanding the degree of phonetic resemblance between the two marks because of the fame of the mark ESSO. However, that decision is not authority for the general proposition that the burden on an applicant respecting the issue of confusion is lighter where the opponent's trade-mark is very well known or famous: see the opposition decision in Procter & Gamble Co. v. London Drugs Ltd. (1989), 23 C.P.R. (3d) 512 at 515-517. Rather, it was the facts peculiar to the Imperial Oil case which led to President Jackett's conclusion. The evidence in that case established that the public had been overwhelmingly educated to visual representations of the trade-mark ESSO and this, coupled with the unique circumstances of the service station trade, mitigated the effect of the phonetic resemblance between the marks at issue.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. I have also considered the similarities between the wares and trades of the parties in this case, the extensive reputation associated with the opponent's mark and the degree of phonetic resemblance between the two marks. Although I doubt that there is much of a risk that the marks would be mistaken visually, I cannot make the same conclusion when the marks are sounded. I consider it quite likely that spoken orders, telephone orders and the like could result in a JANELLE product being mistakenly supplied instead of a CHANEL product or vice versa.

I have also considered that the applicant's application is based on proposed use and that there is no evidence that the applicant has yet commenced use of its proposed mark. Thus, it would not be a great hardship for the applicant to select a new mark at

this early stage in its marketing efforts. In view of all of the foregoing, I find that I am left in a state of doubt respecting the issue at hand. Thus, I must resolve that doubt against the applicant. The ground of opposition based on confusion with the opponent's registered trade-mark is therefore successful and the remaining grounds need not be considered.

In view of the above, I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 30th DAY OF June, 1993.

David J. Martin,
Member,
Trade Marks Opposition Board.