

IN THE MATTER OF AN OPPOSITION by Spring Valley Water Corporation to application No. 574,402 for the trade-mark CANADIAN SPRING & Design filed by Canadian Shield Spring Water Co. Ltd.

On December 10, 1986, the applicant, Canadian Shield Spring Water Co. Ltd., filed an application to register the trade-mark CANADIAN SPRING & Design, a representation of which appears below, based upon proposed use of the trade-mark in Canada in association with "carbonated spring water". The applicant disclaimed the right to the exclusive use of the word CANADIAN and the word SPRING apart from the trade-mark.

The opponent, Spring Valley Water Corporation, filed a statement of opposition on October 19, 1987 in which it alleged the following grounds of opposition:

"1. The applicant is not the person entitled to registration of the trade-mark claimed in the application having regard to the provisions of Section 16 and Section 37(2)(a) of the Trade Marks Act. In particular, having regard to Section 16(3), at the date of filing of the said application for registration of the mark, it was confusing with:

- (a) The trade mark SPRING VALLEY & Design that had been previously used in Canada or made known in Canada by the opponent which trade mark ultimately issued to Registration No. 327,308, registered on May 8, 1987, [Section 16(3)(a)]; and
- (b) The trade mark SPRING VALLEY & Design in respect of which the applicant filed application No. 557,168 for registration of the said mark on February 11, 1986 which ultimately issued as Registration No. 327,308, registered on May 8, 1987, [Section 38(3)(b)]."

The applicant served and filed a counterstatement in which it denied the opponent's grounds of opposition

The opponent filed as its evidence the affidavit of J. Terrence Drayton while the applicant elected not to file any evidence.

Both parties submitted written argument and the applicant alone was represented at an oral hearing.

The opponent's second ground of opposition relating to the applicant's entitlement to registration is based on the applicant's application Serial No. 557,168 for the trade-mark SPRING VALLEY & Design, filed February 11, 1986. While the opponent's application was filed prior to the filing date of the present application, the opponent's application was not pending as of the date of advertisement for opposition purposes of the present application (May 20, 1987). Rather, the opponent's application had proceeded to registration as of May 8, 1987. Accordingly, the present applicant's application is not affected by the previous filing of the opponent's application, having regard to the provisions of Section 16(4) of the Trade-marks Act. Accordingly, I have rejected the opponent's second ground of opposition.

The opponent's first ground of opposition is based on the prior use and prior making known in Canada by the opponent of its trade-mark SPRING VALLEY & Design, a representation of which appears below, in association with "spring water".

With respect to this ground of opposition, there is an initial burden on the opponent to establish its prior use and/or prior making known of its trade-mark in Canada, as well as non-abandonment of the trade-mark in this country as of the date of advertisement for opposition purposes of the applicant's application in the Trade-marks Journal.

With respect to the burden on it, the opponent submitted the affidavit of J. Terrence Drayton, Executive Vice President of Laurentian Spring Valley Inc., which is identified in Mr. Drayton's affidavit as being a successor in title to Spring Valley Water Corporation. According to Mr. Drayton,

Spring Valley Water Corporation was involved in an amalgamation and Laurentian Spring Valley Inc. became a successor in title to the original opponent as a consequence of the amalgamation. No documentation has been filed in this opposition relating to the amalgamation involving Spring Valley Water Corporation which still appears of record in this opposition as the opponent. Further, the copy of the opponent's registration which comprises Exhibit "A" to the Drayton affidavit which was executed August 10, 1988 identifies Spring Valley Water Corporation as the registrant. On the other hand, the statements made by Mr. Drayton were not challenged by way of cross-examination and the applicant did not file any evidence which might raise some question as to the accuracy of Mr. Drayton's statements. Further, Exhibit "G" to the Drayton affidavit, a newsletter issued by the opponent entitled WaterWrites, features an article entitled "Water companies agree to merge" and includes the following comments:

Toronto - The Spring Valley Water Corporation of Toronto and Laurentian Water Ltd. of Montreal have agreed to merge their operations, effective January 1, 1988. The resulting new company will become the largest Canadian-owned bottled water company in the country, ...

Spring Valley, by comparison, is a relative newcomer to the bottled water industry, having begun operations in July, 1986. The company has quickly established itself as a leader in product quality and customer service. ...

The new company will operate two divisions in 1988, carrying on business under the Spring Valley name in Ontario and under the Laurentian name in Quebec. ...

Executive Vice-President and co-founder of Spring Valley Water, Terry Drayton has this to say about the company's merger. "It will give us a much stronger identity in the marketplace and strengthen our position as leaders in the bottled water industry."

Likewise, in an earlier newsletter which also comprises Exhibit "G" to his affidavit, J. Terrence Drayton is identified as Executive Vice-President of Spring Valley Water Corporation. Accordingly, and as I do not consider that a new entity is created as a consequence of a merger, I accept that the information provided by Mr. Drayton relating to the opponent is based on his personal knowledge and is not hearsay, as was submitted by the applicant in its written argument.

Having regard to the Drayton affidavit, I am satisfied that the opponent has established its prior use of the trade-mark SPRING VALLEY & Design, as well as non-abandonment of the trade-mark as of the date of advertisement for opposition purposes of the applicant's application in the

Trade-marks Journal. Accordingly, the legal burden is on the applicant to establish that there would be no reasonable likelihood of confusion between the trade-marks at issue as of the filing date of the applicant's application. In determining whether there would be a reasonable likelihood of confusion between the trade-marks of the parties, the Registrar must have regard to all the surrounding circumstances, including those enumerated in Section 6(5) of the Trade-marks Act.

Both of the trade-marks at issue possess some inherent distinctiveness when considered in their entireties in view of the design features associated with each trade-mark. As of the filing date of its proposed use application, the applicant's trade-mark CANADIAN SPRING & Design had not become known to any extent in Canada. On the other hand, the opponent's trade-mark SPRING VALLEY & Design had become known to some extent in Canada in association with spring water. As the opponent's trade-mark had only been used in Canada for less than six months as of the filing date of the applicant's application, the length of time that the trade-marks had been in use is not a relevant factor in this opposition.

The wares of the parties are identical and the channels of trade associated with those wares must also be considered as being identical for purposes of determining the outcome of this opposition. Accordingly, the only remaining criteria under Section 6(5) is the degree of resemblance between the trade-marks of the parties in appearance, sounding and ideas suggested. In this regard, both trade-marks suggest the idea of spring water although the opponent has not established that it would be entitled to a monopoly in respect of that idea. Further, the trade-marks bear little similarity in sounding and even less similarity in appearance when considered in their entireties, as a matter of first impression and imperfect recollection.

Having regard to the above, I have concluded that the applicant has met the legal burden upon it in respect of the issue of confusion. Accordingly, the applicant is the person entitled to registration of the trade-mark CANADIAN SPRING & Design.

I reject the opponent's opposition pursuant to Section 38(8) of the Trade-marks Act.

DATED AT HULL, QUEBEC, THIS 28th DAY OF FEBRUARY, 1990.

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