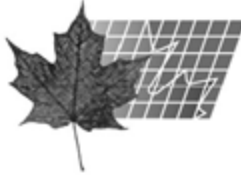


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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2020 TMOB 99

Date of Decision: 2020-08-24

IN THE MATTER OF AN OPPOSITION

**Keune Haircosmetics
Manufacturing B.V. and Keune IP B.V.**

Opponents

and

**Guangzhou Hodm Professionals
Cosmetics Co., Ltd
1,749,108 for OTTO KEUNIS**

Applicant

Application

[1] Keune Haircosmetics Manufacturing B.V. and Keune IP B.V. (referred to collectively as the Opponent) oppose registration of the trademark OTTO KEUNIS (the Mark), which is the subject of application No. 1,749,108, filed by Guangzhou Hodm Professionals Cosmetics Co., Ltd (the Applicant).

[2] The application for the Mark was filed on October 5, 2015 on the sole basis of registration and use in the United States in association with:

Hair care preparations; shampoo; cleaning preparations, namely, all purpose cleaning preparations, auxiliary fluids for use with abrasives for cleaning and polishing silver, carpet cleaning; cosmetics; polishing preparations, namely, abrasives for preparing nail surfaces for nail polish, auxiliary fluids for use with abrasives for cleaning and polishing silver, cleaning, dusting and polishing cloths, floor polishes, furniture polishes; abrasive preparations, namely, abrasive cloth, abrasive sponges for kitchen use, abrasive sponges

for scrubbing the skin, abrasives for preparing nail surfaces for nail polish, auxiliary fluids for use with abrasives for cleaning and polishing silver, dental abrasives, skin abrasives; essential oils, namely, after-sun oils, aromatherapy oils, baby oils, bath oils, bath oils for cosmetic purposes, bergamot oil, body oils; incense; cosmetics for animals; air fragrance preparations; breath freshening sprays

(the Goods)

[3] The Mark was advertised for opposition purposes in the *Trademarks Journal* on August 17, 2016 and on September 20, 2016, the Opponent filed a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act).

[4] All references in this decision are to the Act as amended on June 17, 2019, with the exception of references to the grounds of opposition which refer to the Act before it was amended [see section 70 of the Act which provides that section 38(2) of the Act, as it read prior to June 17, 2019, applies to applications advertised before that date].

[5] The grounds of opposition initially pleaded by the Opponent alleged that the application does not conform to section 30(i) of the Act, that the Mark is not registrable under section 12(1)(d) of the Act, that the Applicant is not the person entitled to registration of the Mark under sections 16(2)(a) and (b) of the Act and that the Mark is not distinctive under section 2 of the Act. With leave of the Registrar granted on January 16, 2018, the statement of opposition was later amended to also allege that the Mark does not conform to section 30(d) of the Act and that, contrary to the introductory paragraph of section 16(2) of the Act, the Applicant is not entitled to registration of the Mark because the application does not comply with section 30 of the Act.

[6] The Applicant filed and served a counter statement denying the grounds of opposition.

[7] In support of its opposition, the Opponent filed the affidavits of Ahmed ElDessouki and Jaclyn Tilak, two articling students employed by the Opponent's trademark agents, both sworn on February 17, 2017. The ElDessouki affidavit introduces into evidence various Internet searches as well as an excerpt from the Canadian Trademarks Database concerning registration No. TMA474,412 for the trademark KEUNE. The Tilak affidavit introduces into evidence the results of Ms. Tilak's visit to a store in Toronto to purchase hair care products. The affiants were not cross-examined.

[8] In support of its application, the Applicant filed the affidavit of Zhu Chun Hua dated June 15, 2017. Following the amendment to the statement of opposition, the Applicant filed another affidavit of Zhu Chun Hua dated December 5, 2017. The Opponent obtained orders for the cross-examination of the affiant on her affidavits. As the Applicant failed to produce the affiant for cross-examination, her affidavits were returned to the Applicant pursuant to section 44(5) of the now repealed *Trade-Marks Regulations*, SOR/96-195. As a result, there is no evidence on record filed by the Applicant.

[9] Neither party filed written arguments, nor requested an oral hearing.

MATERIAL DATES AND ONUS

[10] The material dates with respect to the grounds of opposition are as follows:

- Sections 38(2)(a) and 30 of the Act – the filing date of the application, namely, October 5, 2015 [*Austin Nichols & Co, Inc v Cinnabon, Inc* (2000), 5 CPR (4th) 565 (TMOB); *Tower Conference Management Co v Canadian Exhibition Management Inc*, (1990) 28 CPR (3d) 428 at 432 (TMOB)];
- Sections 38(2)(b) and 12(1)(d) of the Act– the date of my decision [*Park Avenue Furniture Corp v Wickers/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413 (FCA)];
- Sections 38(2)(c) and 16 of the Act – the filing date of the application, namely, October 5, 2015 [section 16(2) of the Act]; and
- Sections 38(2)(d) and 2 of the Act – the filing date of the opposition, namely, September 20, 2016 [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

[11] 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 [*John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD)]. If this burden is met, the Applicant then bears the legal onus of

establishing, on a balance of probabilities, that its application complies with the requirements of the Act.

[12] In applying these principles to the case at hand, the grounds of opposition below can be summarily rejected on the basis that the Opponent has failed to meet its evidential burden:

- Section 30(d) – This ground of opposition fails because the Opponent has submitted no evidence to put into question the correctness of the Applicant’s use and registration abroad basis claimed in its application for the Mark.
- Section 30(i) – This ground, as pleaded, does not raise a proper ground of opposition. The Applicant’s mere knowledge of the existence of the Opponent’s trademark does not in and of itself support the allegation that it could not have been satisfied of its entitlement to use the Mark [*Woot Inc v Woot Restaurants Inc/Les Restaurants Woot Inc*, 2012 TMOB 197]. Further, even were I to have considered that the Opponent had sufficiently raised a section 30(i) ground of opposition, it would still fail because the Opponent has not met its initial evidential burden in respect thereof. Section 30(i) of the Act requires that an applicant include a statement in its application that it is satisfied that it is entitled to registration of its trademark. Where this statement has been provided, a section 30(i) ground should only succeed in exceptional cases, such as where there is evidence of bad faith [*Sapodilla Co Ltd v Bristol Myers Co* (1974), 15 CPR (2d) 152 (TMOB)]. The application for the Mark contains the required statement and there is no evidence that this is an exceptional case.
- Introductory paragraph of section 16(2) – This ground of opposition fails because the introductory paragraph of section 16(2) of the Act cannot in itself form the basis of a non-compliance ground of opposition as defined in section 38(2) of the Act; this provision rather relates to an issue of non-entitlement.
- Sections 16(2)(a) and 2 – These grounds of opposition fail because the evidence adduced, as will be further discussed below, does not effectively demonstrate that the Opponent has used or made known the trademark KEUNE at the filing date of the application nor that this trademark had a reputation in Canada that was sufficient to affect the Mark’s

distinctiveness at the date of filing the statement of opposition [see section 16(5) of the Act and *Bojangles' International LLC v Bojangles Café Ltd* (2006), 48 CPR (4th) 427 (FC) at para 34 which set out the Opponent's evidential burden].

- Section 16(2)(b) – This ground of opposition fails because the application for the trademark relied upon by the Opponent was not pending when the Applicant's application was advertised [section 16(4) of the Act].

[13] The remaining ground of opposition turns on the issue of confusion between the Mark and the trademark KEUNE, registered under No. TMA474,412 in association with “Cosmetics, namely hair tonic, hair dyes, hair cream, permanent solution, cold waving solution, hair spray, hair decolorant, permanent waving lotion, hair mousse, hair gels” currently standing in the name of Keune IP B.V.

SECTION 12(1)(D)

[14] An opponent meets its initial onus with respect to a section 12(1)(d) ground of opposition if the registration relied upon is in good standing. In this regard, the Registrar has the discretion to check the register in order to confirm the existence of the registration relied upon by an opponent [*Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Having exercised my discretion, I confirm that registration No. TMA474,412 is in good standing.

[15] The Applicant must now establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and the Opponent's registered trademark.

The test for confusion

[16] The test to determine the issue of confusion is set out in section 6(2) of the Act where it is stipulated 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 and services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods and services are of the same general class or appear in the same class of the Nice Classification.

[17] 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: the inherent distinctiveness of the trademarks and the extent to which the trademarks have become known; the length of time the trademarks have been in use; the nature of the goods and services or business; the nature of the trade; and the degree of resemblance between the trademarks 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 [*Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée*, 2006 SCC 23; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at para 49, where the Supreme Court of Canada states that the resemblance between the marks will often have the greatest effect on the confusion analysis.

Inherent distinctiveness

[18] This factor does not significantly favour either party, as the trademarks at hand possess a similar degree of inherent distinctiveness. With respect to the Opponent's trademark, the word KEUNE has no meaning in English or in French. However, the Opponent's evidence suggests that it has a surname significance, as it appears to be the last name of the founder of Keune International's business, Jan Keune [EIDessouki affidavit, Exhibit 1]. With respect to the Mark, the Applicant submits that it is composed of foreign words, which translate to mean "wealthy beauty". However, there is no evidence that the average English and/or French-speaking consumer in Canada would be aware of their meaning. As I can take judicial notice of dictionary definitions, I have referred to the Collins Dictionary, available online at www.collinsdictionary.com and note that the word OTTO can be defined as "attar" ("an essential oil from flowers [...] used pure or as a base for perfume") and as "a masculine name". The word KEUNIS appears to have no particular meaning in English or in French. I recognize that the word OTTO may arguably confer a somewhat descriptive connotation to the Mark to the extent that it covers essential oils, incense and air fragrance preparations. However, there is no evidence that this meaning of OTTO is employed in everyday speech. I also recognize that the Mark could arguably be perceived to have a surname significance (its first component, OTTO, being a male given name, its second component, KEUNIS, could be seen as a surname). That

said, there is neither any evidence to suggest that KEUNE is a common surname in Canada, nor that consumers in Canada would necessarily understand either party's trademark as a surname.

Extent known and length of time in use

[19] These factors do not favour either party. The Applicant has not presented any evidence that its Mark has been used or become known to any extent in Canada. As for the Opponent, notwithstanding the little, if any, weight I am able to place on Mr. ElDessouki's and Ms. Tilak's evidence, given that it relates to a contentious issue in the proceeding and they are employees of the Opponent's agent [*Cross Canada Auto Body Supply (Windsor) Limited et al v Hyundai Auto Canada* (2006), 53 CPR (4th) 286 (FCA)], I am not satisfied that the Opponent has provided examples of its actual use of the trademark KEUNE within the meaning of section 4 of the Act. Ms. Tilak's evidence is that she visited The Living Room Hair Studio, took pictures of the trademark KEUNE appearing on posters and hair care preparations [Tilak affidavit, Exhibits A and B] and purchased hair mousse, hair conditioner, hair styling paste and "curl cream" bearing a trademark including the word KEUNE [Tilak affidavit, Exhibits C and D]. While this evidence may show that a trademark KEUNE was in use on the day of Ms. Tilak's visit, it does not allow me to conclude: (i) that any such use has inured to the Opponent, (ii) to what extent this trademark is known, nor (iii) the length of time in use. Similarly, while the results of Mr. ElDessouki's internet searches show promotion of KEUNE branded products, none of his search results actually fully identify the Opponent by name. I note that the Opponent's evidence contains references to numerous entities, which include Keune North America, Keune International, Keune Haircosmetics, Keune Haircosmetics International, Keune Canada and Keune Haircosmetics USA, Inc. There is no evidence showing that any of these designations are business or trade names used by the Opponent (*i.e.* Keune Haircosmetics Manufacturing B.V. or Keune IP B.V.) and no evidence explaining if or how any of the above entities are related to the Opponent. Overall, the filing of evidence of employees of the law firm representing the Opponent, of visits to a store and websites on a particular day, does not allow me to determine whether the relied upon trademark in the instant case was actually used by the Opponent or was known to any significant extent.

Nature of the goods, businesses and trade

[20] This factor favours the Opponent as there is an overlap between the hair products covered by its registration for the trademark KEUNE and the following Goods listed in the application for the Mark: “hair care preparations; shampoo; cosmetics; essential oils, namely, after-sun oils, aromatherapy oils, baby oils, bath oils, bath oils for cosmetic purposes, bergamot oil, body oils;”. In the absence of evidence or submissions to the contrary and given the connection between some of the parties’ goods, there is no reason to conclude that their channels of trade could not also potentially overlap.

Degree of resemblance

[21] When considering the degree of resemblance, the law is clear that the trademarks must be considered in their totality and not dissected into their component parts. The appropriate test is not a side-by-side comparison but an imperfect recollection in the mind of a consumer of an opponent’s trademark [*Veuve Clicquot* at para 20]. Nevertheless, in some cases, the first portion of a trademark may prove the most important for the purpose of distinction [*Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD)].

[22] With this in mind, this factor favours the Applicant as I find that the parties’ trademarks are more different than alike. The marks resemble each other to the extent that they share the element KEUN and could both arguably suggest the idea of a name/surname. However, they count a different number of words (given the presence of an additional word in the Mark) and begin and end with different components, making them quite dissimilar visually and when sounded. Finally, a focus on the individual part of the Mark, namely KEUN, that is the same as the Opponent’s trademark, appears to involve a side-by-side comparison of the type warned against by the courts [*Veuve Clicquot* at para 20; *International Stars SA v Simon Chang Design Inc*, 2013 FC 1041 at para 9].

Conclusion regarding the likelihood of confusion

[23] Taking all of the above into consideration, I find that the Applicant has met its onus to establish, on a balance of probabilities, that the Mark is not likely to cause confusion with the

trademark KEUNE relied upon by the Opponent. I reach this conclusion as I find that the lack of resemblance between the trademarks at hand in terms of appearance and sound, outweighs the overlap with respect to some of the parties' goods and the potential for overlap in their channels of trade. Accordingly, the section 12(1)(d) ground of opposition is rejected.

DISPOSITION

[24] 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.

Iana Alexova
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

No Hearing Held

AGENTS OF RECORD

SMART & BIGGAR LLP

For the Opponents

VANGUARD INTELLECTUAL PROPERTY LLP

For the Applicant