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TOOTHPASTE AS A DESIGN TRADE-MARK

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The Federal Court of Canada recently dismissed an appeal from a decision of Trade-marks Opposition Board that had previously rejected an opposition to the registration of a trade-mark application number for a Striped Toothpaste Design - Green/ White/Blue Stripes. [*Procter & Gamble Inc. v. Colgate-Palmolive Canada Inc.*, 2010 FC 231 (February 26, 2010, Boivin, J.)]

The Facts

On August 2, 2004, Colgate-Palmolive Canada Inc. (“Colgate”) filed for a trade-mark for its tri-coloured Striped Toothpaste Design, the top stripe being green, the middle white and the bottom stripe blue; color was claimed as a feature of the mark. After being advertised in the *Trade-marks Journal*, Procter & Gamble (“P&G”) opposed the registration, all of which were rejected by the Trade-marks Opposition Board (“Board”).

Procter & Gamble appealed the decision of the Board to the Federal Court pursuant to s. 56 *Trade-marks Act*.

The Federal Court Judgment

The Court was asked to decide whether Board had erred in dismissing all six grounds of opposition raised by P&G.

The first order of business was for the Court to determine the applicable standard of review of the Board’s decision. There was new evidence filed by both parties on appeal: the Court therefore needed to determine whether this additional evidence was sufficiently probative, to the point that it would have materially affected the Board’s decision. In the affirmative, the standard of review is correctness and the

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Court may substitute its opinion to that of the Board. If the new evidence would not have materially affected the Board's decision, then greater deference is given to the Board's decision on the basis on a standard of reasonableness. Upon reviewing the additional evidence, Justice Boivin concluded that the additional evidence was not significant enough to have had a material effect on the Board's findings, thus the Board's decision would be reviewed on a standard of reasonableness.

Colgate, as the applicant for the mark, has the onus of establishing, on a balance of probabilities that its application complies with the *Trade-marks Act*. P&G's burden is to adduce sufficient admissible evidence to support each ground of opposition and from which it can be concluded that Colgate's application does not comply with the *Act*.

The first ground of opposition concerned the allegation by P&G that Colgate could not have been satisfied that it was entitled to registration of the impugned trade-mark as Colgate knew or should have known that toothpaste incorporating a striped design had been offered for sale in Canada by others before the date of the application on August 2, 1994. The Court found no evidence of bad faith on the part of Colgate. Even if the Colgate could have been aware of other toothpastes incorporating a striped design prior to the application, this did not disentitle it to the registration of the trade-mark. The Board's decision to dismiss the first ground of opposition was allowed to stand.

The second ground of opposition concerned Colgate's intent to use the trade-mark. P&G submitted that a negative inference should be drawn from the fact that Colgate had not yet begun using its trade-mark. The trade-mark application had been filed on the basis of "proposed use". The relevant date for assessing "intent to use" is the date of application, namely August 2, 1994. The Court found that it was understandable that Colgate had not yet used its trade-mark while the opposition proceedings were pending and that, in any event, under the *Trade-marks Act*, there is no requirement of actual use of the trade-mark until the applicant files its Declaration of Use. The Court agreed that the Board had rightly decided to dismiss the second ground of opposition.

P&G argued three more grounds of opposition. The third is that the trade-mark is for ornamental or decoration purposes only, the fourth that that it is functional and the fifth is that the trade-mark does not serve to distinguish Colgate's toothpaste from those of others. The Court agreed with the Board's assessment that P&G's Statement of Opposition was fundamentally defective in that it had improperly pled the law. However, for greater certainty, the Court nonetheless examined each of the grounds individually.

As to the third ground, Justice Boivin agreed with the Board that any design mark will be ornamental to some degree and that this does not necessarily mean that it cannot distinguish the products of the applicant from those of others. P&G therefore failed on the third ground of opposition.

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The fourth ground related to functionality of the trade-mark. P&G argued that Colgate had obtained patents claiming, amongst other patent claims, the green-white-blue appearance and that this constituted an admission that the trade-mark had a primarily functional use. Colgate replied that none of the evidence put before the Board, or in the additional evidence before the Court, supported the proposition that the striped toothpaste performs any particular function, nor what that function might be. The Court noted that, although different functions can be assigned to the particular coloured stripes, toothpaste need not have stripes in order to perform these functions. In the absence of probative evidence as to functionality, the Court maintained the Board's decision on this issue.

The fifth ground of opposition relates to P&G's allegation that the trade-mark does not serve to distinguish Colgate's toothpaste from that of others. P&G argued that there is no use of the trade-mark within the meaning of s. 4 *Trade-marks Act*. P&G claimed that the drawing of the mark is ambiguous and that while the design is applied to the product itself, the product is also contained in a tube placed in a box, with a foil seal over the mouth of the tube. It was argued that the tri-coloured toothpaste make come out of the tube in many different configurations, depending on how the consumer handles the tube, and consequently that the trade-mark may not be duplicated by consumers. The Court concluded that there was no evidence on file supporting P&G's claim that it would be impossible to "use" the trade-mark design within the meaning of the *Act*. The Court found that Colgate's evidence shows that the toothpaste could be advertised in such a manner to allow consumers to see the actual product and therefore that the trade-mark could be "used" within the meaning of the *Act*. The fifth ground of opposition was therefore dismissed.

Lastly, P&G argued that the trade-mark was not distinctive and could not serve as a single source of the wares. Whether trade-mark actually distinguishes or is capable of distinguishing is a question of fact. The test is whether a clear message is given to the public that the wares with which the trade-mark is associated and used are the wares of the owner and not of another party. P&G argued that Colgate had taken the three most common colors in the toothpaste industry and simply combined them. P&G submitted that the average consumer would not be able to identify the maker of the toothpaste, or if there is more than one manufacturer, if the name of the manufacturer on the packaging and its color were removed. Colgate submitted as at the date of the Statement of Opposition April 3, 1996, there was no evidence that Colgate's green-white-blue trade-mark could not serve to indicate a single source. Colgate further argued that its trade-mark did not resemble the Aquafresh toothpaste design. The Court concluded that the evidence did not show that other parties had used in Canada the same colour striped pattern or appearance. As there was no evidence establishing that Colgate's trade-mark was not adapted to designate a single source, the Court again upheld the Board's decision on this sixth ground of opposition.

For all these reasons, the Court maintained the Board's decision and dismissed the appeal, with costs.

Conclusion

The present case demonstrates the importance of filing a proper and complete Statement of Opposition. Care and caution should also be given to the evidence filed in support of, and against, a trade-mark opposition. In this case, the Board and the Court noted the failure by P&G to meet its burden on each of the grounds of opposition, in part because of failure to proactively adduce evidence in support of the grounds of opposition and the failure to file rebuttal evidence, leaving Colgate's evidence uncontradicted.



