

**IN THE MATTER OF AN OPPOSITION
by Kellogg Canada Inc. to application No.
732,091 for the trade-mark TATER CRISPIES
filed by Can-Skillet Systems Inc.**

On June 28, 1993, the applicant, Can-Skillet Systems Inc., filed an application to register the trade-mark TATER CRISPIES for “potatoes” based on proposed use in Canada. The application was amended to include a disclaimer to the word TATER and was subsequently advertised for opposition purposes on March 9, 1994. The application was later amended to restrict the statement of wares to “prepared potatoes, not being frozen potatoes of any kind, sold as a menu item.”

The opponent, Kellogg Canada Inc., filed a statement of opposition on May 3, 1994, a copy of which was forwarded to the applicant on July 5, 1994. The first ground of opposition is that the applicant’s application does not comply with the provisions of Section 30(i) of the Trade-marks Act. In this regard, the opponent alleges that the applicant could not have been satisfied that it was entitled to use its applied for trade-mark in Canada in view of its awareness of the opponent’s use and making known of its family of confusing trade-marks.

The second ground of opposition is that the applicant’s trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with the following seven registered trade-marks of the opponent:

<u>Trade-mark</u>	<u>Reg. No.</u>	<u>Wares</u>
RICE KRISPIES	TMDA44399	cereal breakfast foods
KRISPIES	UCA00002	ready-to-eat cereal foods or cereal breakfast foods
MARSHMALLOW KRISPIES	291,117	food products, namely breakfast cereals, and snack products, namely cereals
RICE KRISPIES	332,999	food products, namely breakfast cereals, and snack products, namely cereals; cereal squares and bars
KRISPIES	338,960	food products, namely breakfast cereals; cereal squares and bars
FRUITY MARSH-MALLOW KRISPIES	348,340	food products, namely breakfast cereals, and snack foods, namely cereals

COSMIC KRISPIES

421,197

food products namely, breakfast cereals and snack food cereals

The third ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3)(a) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the opponent's seven registered trade-marks previously used and made known in Canada. The fourth ground is also one of prior entitlement pursuant to Section 16(3)(c) of the Act based on the opponent's previously filed applications for the trade-marks CARRES AUX RICE KRISPIES (S.N. 737,891), COSMIC FRUITY MARSHMALLOW KRISPIES (S.N. 716,595) and RICE KRISPIES SQUARES (S.N. 716,952). The fifth ground is that the applied for trade-mark is not distinctive because it is confusing with the opponent's trade-marks.

The applicant filed and served a counter statement. As its evidence, the opponent submitted an affidavit of R. Dewey Peterson. As its evidence, the applicant submitted two affidavits of Dennis Patchett and the affidavits of Donna J. Harris, Bette McDermott, Nigel Beattie and John Hennebry. As evidence in reply, the opponent submitted an affidavit of Mary Hamilton and a second affidavit of R. Dewey Peterson. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

In his first affidavit, Mr. Peterson identifies himself as the opponent's Vice-President of Corporate Affairs. He indicates that the opponent has produced and sold a breakfast cereal in association with the trade-mark RICE KRISPIES since 1927 and that sales in Canada for the period 1975 to 1994 were in excess of \$500 million. His company has also sold breakfast cereal under the trade-marks COSMIC KRISPIES and RICE KRISPIES SQUARES. Sales of the former product for the period 1983 to 1994 were in excess of \$30 million and sales of the latter product for the year 1994 were in excess of \$7 million. Advertising and promotional expenditures for the same periods were greater than \$85 million for RICE KRISPIES, greater than \$5 million for COSMIC KRISPIES and in excess of \$3 million for RICE KRISPIES SQUARES.

Mr. Peterson also indicates that recipes have regularly appeared on boxes of RICE KRISPIES cereal for many years although the recipes appear to be exclusively for baked goods, mostly for an item called Rice Krispies squares. The first Peterson affidavit evidences cookbooks distributed by the opponent and individual recipes which are distributed to consumers. Those featuring only the RICE KRISPIES trade-mark cover baked goods only. The remaining cookbooks, which feature a number of the opponent's cereal products, include recipes for other dishes including meat dishes such as chicken. However, Mr. Peterson did not evidence when these cookbooks and recipes were produced or how many were produced or distributed. Mr. Peterson's second affidavit establishes that the opponent has made fairly substantial sales of a breaded coating product under the trade-mark KELLOGG'S CORN FLAKE CRUMBS.

In his first affidavit, Mr. Patchett identifies himself as the Vice-President of Marketing and Administration of the applicant. He indicates that the applicant operates a franchise chain of 67 restaurants in Canada under the trade-mark MARY BROWN'S FRIED CHICKEN. He states that the applicant's TATER CRISPIES product will only be sold through its franchised outlets.

The balance of the applicant's evidence is directed to establishing that the words CRISP, CRISPS and CRISPY and their phonetic equivalents are in common use in Canada as a component of trade-marks used for food products. The Harris affidavit evidences 110 Canadian registrations for such trade-marks. The remaining affidavits evidence numerous purchases of products in various Ontario locations bearing such trade-marks. In particular, those affidavits establish the availability of breakfast cereals sold in association with the trade-marks SUGAR CRISP, PRESIDENT'S CHOICE CRISPY RICE CEREAL, OATMEAL CRISP, MASTER CHOICE GOLDEN CRISPS OF RICE, CRISPY BROWN RICE, WHOLE WHEAT KRISPS and GOLDEN CRISPY RICE.

The first ground of opposition essentially turns on the issue of confusion between the marks of the parties. Thus, the success of the first ground is contingent on the success of one or more of the remaining grounds.

As for the second ground of opposition, 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.). The onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Furthermore, 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.

As for Section 6(5)(a) of the Act, the applicant's mark commences with the name of the wares followed by a corruption of the word "crispy" which could be descriptive of a breaded or fried potato product. Thus, the applicant's mark is inherently weak when used in association with the applied for wares. There is no evidence of use or advertising of the applicant's proposed mark. Thus, I must conclude that it has not become known at all in Canada.

The opponent's first registered trade-mark is RICE KRISPIES which is also the fourth registered mark relied on in the statement of opposition. The first component of that mark is clearly descriptive of the opponent's rice cereal. As noted by the opponent, the second component of its mark is a coined word and does not appear in dictionaries. However, as submitted by the applicant, the component KRISPIES is an obvious corruption of the word CRISPY which is also clearly descriptive of the opponent's rice crisps cereal. Thus, the opponent's mark is inherently weak.

The first Peterson affidavit evidences significant sales and advertising for the opponent's RICE KRISPIES cereal product. Sales for the period 1975 to 1994 were in excess

of \$500 million with advertising and promotional expenditures for that same period totalling more than \$85 million. Sales have been significant in every area of Canada. Based on Mr. Peterson's evidence, I am able to conclude that the opponent's trade-mark has become extremely well known throughout the country and is likely familiar to most Canadians.

The length of time the marks have been in use favors the opponent. As for the wares and trades of the parties, it is the applicant's statement of wares and the opponent's statement of wares in its registration that govern: see Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.), Henkel Kommanditgesellschaft v. Super Dragon (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) and Miss Universe, Inc. v. Dale Bohna (1994), 58 C.P.R.(3d) 381 at 390-392 (F.C.A.). However, 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. In this regard, evidence of the actual trades of the parties is useful: see the decision in McDonald's Corporation v. Coffee Hut Stores Ltd. (1996), 68 C.P.R.(3d) 168 at 169 (F.C.A.).

Breakfast cereal and prepared potatoes are entirely different wares although both do fall within the broad category of food products. The applicant submits that the trades of the parties are also entirely different since its wares will only be sold through its franchised restaurant outlets and this is confirmed by the restrictions in the applicant's statement of wares. Since the opponent sells its RICE KRISPIES product primarily through retail grocery outlets, there is a little potential overlap in the trades of the parties. However, the opponent does also sell its RICE KRISPIES product to the restaurant and institutional trades.

The opponent sought to establish a connection between the trades of the parties based on its distribution of individual recipes and recipe books featuring one or more of its cereal products. As noted, however, recipes featuring RICE KRISPIES cereal have been almost exclusively for baked goods. As also noted, there is no evidence of the extent of distribution of those recipes and books. There is evidence of sales of a breaded coating product under the trade-mark KELLOGG'S CORN FLAKE CRUMBS. However, there is no evidence of any

such product sold in association with the trade-mark RICE KRISPIES. Even if there were, I doubt that consumers viewing a prepared coated potato product sold as a restaurant menu item under the trade-mark TATER CRISPIES would assume that the product was coated with a RICE KRISPIES product or that it was in any other way connected with the opponent.

As for Section 6(5)(e) of the Act, there is a fair degree of resemblance in sounding between the marks at issue since KRISPIES is the phonetic equivalent of CRISPIES. As noted, however, that component of each mark is inherently weak. Furthermore, the marks differ visually not only in respect of their first components but also because the second component of the opponent's mark commences with the letter K. The evidence suggests that the presentation of the opponent's mark to the public is overwhelmingly visual. Given the fame of that mark, consumers would likely recall that its second component commences with the letter K even when the mark is only sounded. Thus, the likelihood of mistaking the marks phonetically is limited: see Imperial Oil Ltd. v. Superamerica Stations Inc. (1965), 47 C.P.R. 57 at 67 (Ex. Crt.).

As an additional surrounding circumstance, the applicant has relied on the state of the register evidence in the Harris affidavit. 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 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.

As noted, the Harris affidavit evidences over 100 registrations for trade-marks for various food products where the trade-mark includes the component CRISP, CRISPS or CRISPY or their phonetic equivalents. A number of those marks are registered for cereals, cookies, candies or the like. Thus, I am able to conclude that the word CRISP, CRISPY or the like has been commonly adopted in the field of food products in general and, to some extent, in the field of breakfast cereals and related products.

As also noted, the remainder of the applicant's evidence buttresses the state of the register evidence by evidencing the widespread availability in different Ontario cities of third party products (particularly breakfast cereals) featuring trade-marks which include the word CRISP, CRISPY or the like. Thus, consumers would be likely to distinguish such marks on the basis of their other elements. While it is true that the opponent's trade-mark is the only one of record which incorporates the word KRISPIES (or CRISPIES), the state of the marketplace is such that the opponent cannot claim a wide ambit of protection beyond the particular spelling of its mark for breakfast cereals and related products.

As per the decision in McDonald's Corp. v. Yogi Yogurt Ltd. (1982), 66 C.P.R.(2d) 101 (F.C.T.D.), the opponent is entitled to a greater ambit of protection where it has evidenced significant use of several or more members of an identified family or series of marks. The opponent submitted that the likelihood of confusion in the present case is greater in view of its family of KRISPIES trade-marks. The first Peterson affidavit does establish the beginnings of such a family since the opponent has effected considerable sales of breakfast cereal in association with the trade-mark COSMIC KRISPIES for the period 1983 to 1994 and in association with the mark RICE KRISPIES SQUARES for the year 1994. This nascent family of KRISPIES marks would therefore appear to broaden the opponent's protection somewhat for its trade-mark RICE KRISPIES but, again, only within the field of breakfast cereals and related products.

On the other hand, the evidence establishes that the trade-mark RICE KRISPIES is invariably used and advertised in association with the opponent's house mark KELLOGG'S. Thus, consumers have come to associate those two marks. This fact lessens somewhat the likelihood that the applicant's mark would be confused with the opponent's trade-mark RICE KRISPIES.

In applying the test for confusion set forth in Section 6(2) of the Act, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the differences in the wares and trades of the parties, the common adoption and use of similar marks in the breakfast cereal field, the visual differences

between the marks and the diminished significance of the phonetic resemblance between them given the consumer's overwhelming visual familiarity with the opponent's mark, I find that the applicant's mark TATER CRISPIES is not confusing with the opponent's registered mark RICE KRISPIES for cereal and the like notwithstanding the fame of the opponent's mark.

In view of the above, the opponent's second ground insofar as it is based on its registered mark RICE KRISPIES is unsuccessful. In considering the remaining registered marks relied on, the circumstances are less favorable to the opponent since the additional marks have not been as widely used and have a lower degree of resemblance to the applicant's mark. Thus, the second ground insofar as it is based on the opponent's other registered marks is also unsuccessful.

As for the third ground of opposition, the opponent has met its initial burden of evidencing use of its trade-mark RICE KRISPIES prior to the applicant's filing date. The ground therefore remains to be decided on the issue of confusion as of that date which is the material time in accordance with the wording of Section 16(3) of the Act. My conclusions above respecting the second ground are equally applicable here. In fact, if anything, the opponent's case is weaker under this heading since there is no evidence of use or advertising of the opponent's additional mark RICE KRISPIES SQUARE for cereal as of the applicant's filing date. Thus, the third ground insofar as it is based on prior use of the trade-mark RICE KRISPIES is unsuccessful.

As for the remaining marks relied on, the first Peterson affidavit does not appear to evidence use of the mark KRISPIES 'per se' prior to the applicant's filing date. It is also not clear that Mr. Peterson evidenced non-abandonment of the marks MARSHMALLOW KRISPIES and FRUITY MARSHMALLOW KRISPIES as of the applicant's advertisement date. In any event, I find that the applicant's mark is not confusing with any of those additional marks and thus the third ground is unsuccessful.

As for the fourth ground of opposition, the opponent has failed to meet its initial evidential burden respecting application No. 737,891 which was filed after the applicant's

application. As for the opponent's other two applications, having considered all the surrounding circumstances, I find that the applicant's mark was not confusing with either the mark COSMIC FRUITY MARSHMALLOW KRISPIES or the mark RICE KRISPIES SQUARES as of the applicant's filing date. Thus, the fourth ground is also unsuccessful.

As for the fifth ground of opposition, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - May 3, 1994): see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R.(2d) 126 at 130 (F.C.A.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R.(3d) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness.

The fifth ground essentially turns on the issue of confusion between the applicant's mark and the opponent's trade-marks. Given my conclusions above respecting the issue of confusion respecting the second, third and fourth grounds, it also follows that the applicant's mark is not confusing with the opponent's registered and applied for marks as of the filing of the present opposition. Thus, the fifth ground is also unsuccessful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I reject the opponent's opposition.

DATED AT HULL, QUEBEC, THIS 3rd DAY OF MARCH, 1998.

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