



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2013 TMOB 100
Date of Decision: 2013-05-29

**IN THE MATTER OF AN OPPOSITION
by Federated Co-operatives Limited to
application No. 1458807 for the trade-
mark WHOLE EARTH FARMS in the
name of Merrick Pet Care, Inc.**

[1] On November 12, 2009, Merrick Pet Care, Inc. (the Applicant) applied for the trade-mark WHOLE EARTH FARMS (the Mark) based upon use of the Mark in Canada since November 3, 2009, and use and registration in the United States. The goods applied for are “pet food and pet treats”.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of July 21, 2010.

[3] On August 9, 2010, Federated Cooperatives Limited (the Opponent) opposed the application. In addition to pleading that the application does not comply with certain of the requirements of Section 30 of the *Trade-marks Act*, RSC 1985, c T-13, the Opponent pleads that the Mark is not registrable, the Applicant is not the person entitled to registration and the Mark is not distinctive. The central issue in this opposition is whether the Mark is confusing with the Opponent's registered trade-mark WHOLE EARTH, Registration No. TMA619,378, used in association with animal feed.

[4] The Opponent filed the affidavit of Kevin Krug, Marketing Services Manager of the Opponent. Mr. Krug was cross-examined on his affidavit and his cross-examination transcript forms part of the record. As its evidence, the Applicant filed the affidavit of Donald Young,

Vice-President of Sales of Merrick Pet Care, Inc., the affidavit of Sam Spradlin, Chief Financial Officer of Merrick Pet Care Inc., Karen Lau Cardinell, legal assistant with the Applicant's firm, and Roy Bornmann, student-at-law with the Applicant's firm. None of the Applicant's affiants were cross-examined.

[5] The Applicant also requested and was granted leave to file a supplementary affidavit of Mr. Donald Young as additional evidence pursuant to section 44(1) of the *Trade-mark Regulations* (1996), SOR/96-195 on August 16, 2012.

[6] Both parties filed a written argument and were represented at an oral hearing.

Onus and Material Dates

[7] The Opponent must provide sufficient admissible evidence in order to support each ground of opposition. This is often referred to as the Opponent's evidential burden. Once it has done so, the Applicant must establish, on a balance of probabilities, that its application complies with the requirements of the Act [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

[8] The material dates that apply to the grounds of opposition are as follows:

- Section 38(2)(a)/Section 30 - the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- Section 38(2)(c)/Section 16(1) - the Applicant's date of first use [see section 16(1)];
- Section 38(2)(c)/Section 16(2)- the filing date of the application [see section 16(2)];
- Section 38(2)(b)/Section 12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- Section 38(2)(d)/non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Preliminary Issue

[9] At the oral hearing, the Opponent asked for a reconsideration of the ruling dated August 16, 2012 granting leave to the Applicant to file a supplementary affidavit of Mr. Donald Young as additional evidence. The Opponent argued that leave should not have been granted to the Applicant to file additional evidence at such a late stage in the proceedings, i.e. after the Opponent had submitted its written argument. The Opponent also questioned the importance of the evidence, and the Applicant's reason for not submitting this evidence earlier.

[10] In her ruling, Member de Paulsen considered whether it was in the interests of justice to grant leave to the Applicant file the supplementary affidavit of Mr. Young as additional evidence. While Member de Paulsen acknowledged the late stage of the proceedings, she noted that Mr. Young had explained that his failure to include certain invoices with his first affidavit was inadvertent as the preparation of the first affidavit was rushed. With respect to the importance of the evidence, Member de Paulsen noted that the evidence was directly relevant to two grounds of opposition and that the Applicant should be permitted to put its best evidence forward. Finally, it was held that the fact the Opponent could request to cross-examine Mr. Young, file additional written arguments and/or address the additional evidence at the oral hearing, ameliorated the potential for prejudice to the Opponent.

[11] The Registrar can only reconsider the ruling made in the Office letter of August 16, 2012, if that ruling was based on an error of law or an error in the interpretation of the facts before the Registrar when the ruling was made [see *Jalite Public Ltd v Lencina* (2001), 19 CPR (4th) 406 (TMOB)]. As it has not been demonstrated that either type of error occurred, I am not prepared to reconsider the August 16, 2012, ruling.

Section 30(b) Ground of Opposition

[12] The Opponent has pleaded that the application for the Mark does not comply with the requirements of section 30(b) of the Act in that the Applicant has not used the Mark since the date of first use claimed in the application.

[13] An opponent's initial burden under section 30(b) is light [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB) at 89] and can be met by reference not only to the opponent's evidence but also to the applicant's evidence [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD) 216 at 230]. However, while an opponent may rely upon the applicant's evidence to meet its evidential burden in relation to this ground, the opponent must show that the applicant's evidence is **clearly inconsistent** with the applicant's claims as set forth in its application.

[14] In the present case, the Opponent relies on the Applicant's evidence to satisfy its initial burden. In this regard, attached to the supplementary affidavit of Mr. Young were representative invoices showing sales of the WHOLE EARTH FARMS brand product to pet supply stores in Canada and the U.S. Sales orders identified as SO-017217 and SO-017216 are both dated October 31, 2009, and they detail sales to Canada, along with a Packing Slip, Bill of Lading, Check-Off List and Picking List to demonstrate shipment and receipt of the Applicant's product.

[15] The Opponent argued that the sales orders do not support the Applicant's claimed date of first use of November 3, 2009, because invoices are not receipt for payment or evidence of delivery of the wares to Canada. The Opponent argues that the materials filed by Mr. Young show that the order for the Applicant's pet food was processed in Texas and picked up on October 31, 2009, for shipment FOB to Canada, which was a Saturday. The Opponent submits that it is not reasonable to assume that the Canadian purchaser had receipt of the wares by November 3, 2009, which is the Applicant's claimed date of first use. Further, the invoices also indicate that the purchaser had until November 30, 2009, to pay for the wares.

[16] Although I agree with the Opponent that the Applicant's evidence is not as precise or as informative as it might be, the Applicant was not obliged to prove use of the Mark in Canada pursuant to section 4(1) of the Act as of November 3, 2009 until the Opponent had met its initial burden. There are no patent contradictions in Mr. Young's affidavit evidence and in the absence of evidence to the contrary, I do not think it is completely unreasonable to assume that the Canadian purchaser had received the wares by the Applicant's date of first use. Further, the Opponent chose not to cross-examine Mr. Young to obtain answers to those questions which it now raises concerning use of the Mark. I am therefore not satisfied that the Opponent has met its

light burden with respect to its allegation that the Applicant did not use the Mark at the date of first use claimed in the subject application. This ground of opposition is therefore rejected.

Section 30(i) Ground of Opposition

[17] Regarding the section 30(i) ground I note that the Applicant has made the requisite statement and there is no evidence that it did so in bad faith [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. I am therefore dismissing this ground of opposition.

Section 30(d) Ground of Opposition

[18] With respect to the section 30(d) ground of opposition, there is no evidence that puts into issue the correctness of the use and registration abroad basis claimed in the Applicant's application. I am therefore also dismissing this ground of opposition.

Section 12(1)(d) Ground of Opposition

[19] Each of the final four grounds of opposition turns on the issue of the likelihood of confusion between the Mark and the Opponent's trade-mark. While the material dates for the remaining grounds of opposition are different, I do not believe that anything turns on whether the issue of confusion is determined at any particular material date. I will assess the likelihood of confusion between the Mark and the Opponent's trade-mark WHOLE EARTH, as registered under No.TMA619378 under the section 12(1)(d) ground of opposition as that represents the Opponent's strongest case.

[20] I have exercised the Registrar's discretion to confirm that the Opponent's registration No.TMA619378 for the trade-mark WHOLE EARTH for animal feed is currently extant.

Test for confusion

[21] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or

services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them.

[22] This list of enumerated factors is not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC)]. In *Masterpiece Inc v Alavida Lifestyles Inc et al.* (2011), 92 CPR (4th) 361 (SCC) , the Supreme Court of Canada clearly indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the marks.

section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[23] While both parties' marks possess some degree of inherent distinctiveness, they both suggest that their products are comprised of natural ingredients. I agree with the Opponent that the word FARMS does not add any distinctiveness to the Mark as it is a fairly descriptive word.

[24] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. Mr. Krug states that the Opponent operates six feed plans that manufacture animal feed, which feed is sold to its retail co-operatives (of which there are approx. 250 in western Canada) for resale to the general public as well as to direct customers such as feed lots and hog barns. He further states that the Opponent has sold animal feed in association with its trade-mark in Canada since at least as early as 1999, and that sales of the Opponent's animal feed in Canada have ranged between \$37,280 in 1999, to \$1 million in 2010.

[25] The Applicant argues that the Opponent has not shown any use of its trade-mark by itself. In this regard, the Applicant points to the labels which Mr. Krug states would be stuck to the

25kg bags of animal feed that the Opponent sells to its own retail co-operatives. The labels attached as Exhibit E to Mr. Krug's affidavit show the following:

CO-OP®WHOLE EARTH* LAYER DIET

Manufactured by FEDERATED CO-OPERATIVES LIMITED Head Office:
Saskatoon, Saskatchewan S7K 3M9

® Registered trade-mark of RMC Distributing Ltd. used under licence.

*Registered trade-mark of Federated Co-operatives Ltd.

[26] The Applicant argues that since the word CO-OP is presented in the same colour, size and style of lettering as the word WHOLE EARTH, the public would perceive that the mark being used is the mark CO-OP WHOLE EARTH and not the registered mark WHOLE EARTH [see *Nightingale Interloc Ltd v Prodesign Ltd* (1984), 2 CPR (3d) 535 at 538 and *Canada (Registrar of Trade-marks) v Cie internationale pour l'informatique CII Honeywell Bull SA* (1985), 4 CPR (3d) 523]. Under cross-examination, Mr. Krug admitted that CO-OP WHOLE EARTH appears on all of the bags that are transferred to and later resold by its retail co-operatives; the mark WHOLE EARTH by itself never appears on the packaging of the bags of animal feed and these bags are not re-packaged but sold as received [Krug cross-examination, q. 30-32, 67-72].

[27] The Opponent, on the other hand, submits that the use shown in the present case is of two trade-marks with independent markings to indicate that they are separate trade-marks. The Opponent further notes that the notice at the bottom of the label helps explain the meaning of the asterisk to the consumer. The Opponent relied on the decision in *AW Allen Ltd v Canada (Registrar of Trade Marks)* (1985), 6 CPR (3d) 270 (FCTD) wherein it was held that there is nothing to prevent two registered trade marks being used at the same time.

[28] The use of a trade-mark in combination with additional words or features constitutes use of the registered mark if the public as a matter of first impression would perceive the trade-mark as being used. This is a question of fact which is dependent on whether the trade-mark stands out from the additional material and whether the trade-mark remains recognizable [*Nightingale*, above; *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA)]. In the present

case, the Opponent used an asterisk to identify the Mark as its trade-mark on the label, and the ® symbol and additional notification provided on the label clearly indicate that the mark CO-OP is a separate registered mark belonging to a different entity. In my view, this qualifies as use of two marks and not of a single combined mark, and the words “layer diet” would be viewed as descriptive matter. I therefore conclude that the use shown by the Opponent is use of its registered mark WHOLE EARTH.

[29] With respect to the extent known of the Mark, the Applicant’s dog food has been sold in Canada in association with the Mark since at least as early as September, 2009. From September 2009 to December 2011, the Applicant sold 25,486 units of its pet food to retail pet supply stores in Canada and generated \$190,823.30 in total revenue. The Applicant’s dog food has been advertised to consumers on various pet supply websites and through in-store advertisements at retail pet stores.

[30] Based on the foregoing information, I conclude that the Opponent’s mark has become known to a greater extent in Canada than the Mark.

section 6(5)(b) - the length of time each trade-mark has been in use

[31] The length of time that each mark has been in use favours the Opponent.

sections 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

[32] It is the Applicant’s statement of wares as defined in its application versus the Opponent’s registered wares that govern my determination of this factor [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc.* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA); *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)].

[33] Having reviewed the evidence of both parties, I find that the wares of the parties are related to the extent that they both comprise food for animals. The nature of the parties’ businesses, however, is different. In this regard, it appears from the evidence that the Opponent’s 25 kg bags of animal feed are primarily intended for farmers to feed their livestock

including chickens, turkeys, poultry, rabbits and hogs. The Applicant's wares, on the other hand, are gourmet, wholesome and natural pet food products for domestic pets.

[34] With respect to the parties' channels of trade, the evidence shows that to date the Applicant's wares have been distributed throughout Canada and the U.S. through in-store and online specialty retail pet supply chains and one mass retail chain [Young, para 5 and 7]. The Applicant's wares are aimed at consumers of natural and healthy food products who, as domestic pet owners, buy healthy and nutritious pet food products out of a concern for the health of their pets.

[35] The Opponent's evidence, on the other hand, is that the Opponent is an organization co-owned by the retail co-operatives (all of which are located in Western Canada) to which it distributes its animal feed for resale to the general public [Krug, para. 2]. While the Opponent's animal feed is primarily sold to farmers who operate "feed lots and hog barns", the Opponent's animal feed is also sold to direct customers, including Early's Farm and Garden in Saskatoon which Mr. Krug states is "considered a pet store" [Krug, para. 2 and cross-ex. q.103]. Further, the Opponent's animal feed is sold openly on the store floor alongside various items including pet food.

[36] Relying on the decision in *Alticor v Nutravite Pharmaceuticals Inc* (2005), 42 CPR (4th) 107 (FCA), the Applicant submits that statements of wares 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. The evidence in the present case indeed shows that there does not appear to have been any real overlap of the parties' channels of trade **to date**. Further, while the Applicant's evidence has shown that it has only used the Mark in association with dog food, the wares as applied for (i.e. pet food and pet treats) are broad enough to include all pets.

[37] While I agree that the nature of the Opponent's business suggests that its animal feed is primarily sold through co-operative member outlets for commercial use, the Opponent's evidence shows that the Opponent's wares has been sold to pet owners as food for pet rabbits [Krug, para. 8]. Further, neither of the parties' statements of wares is restricted to any particular channel of trade.

[38] It is also useful to keep in mind that in *Masterpiece*, above at para 53, the Supreme Court held that the focus must be on the terms set out in the application for the trade-marks and on what the “the registration would authorize the [applicant] to do, not what the [applicant] happens to be doing at the moment.” The Court added at para 59 that while actual use is not irrelevant, “it should not be considered to the exclusion of potential uses within the registration.

[39] I therefore conclude that the parties’ channels of trade could overlap.

section 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[40] In the present case, the Applicant has adopted the Opponent’s trade-mark in its entirety. The only difference is that the Applicant has added the non distinctive word “farms” to its mark. I therefore find that there is a significant degree of resemblance between the marks in all respects.

[41] I would like to mention that the Applicant has pointed to differences in appearance between the Mark as used and the Opponent’s trade-mark. The Mark as it is currently used indeed has a relatively distinctive design component. The Mark applied for, however, is a word mark. As such, the distinctive design that is currently being used with the Mark has no effect on the analysis of confusion in this case.

Further surrounding circumstances

Absence of confusion despite co-existence of both parties’ marks

[42] As a further surrounding circumstance, the Applicant has argued that it has never received any reports of alleged confusion with the Opponent’s mark since the Applicant started using its mark in 2007 in the U.S. and 2009 in Canada. Further, none of the Applicant’s retail pet supply chain partners have ever reported an incident of confusion.

[43] It is of course not necessary for the Opponent to evidence confusion in order for me to find that there is a likelihood of confusion but the absence of confusion despite the overlap of the wares and channels of trade may result in a negative inference being drawn about the Opponent's

case [see *Monsport Inc v Vetements de Sport Bonnie (1978) Ltée* (1988), 22 CPR (3d) 356 (FCTD); *Mercedes-Benz AG v Autostock Inc* (1996), 69 CPR (3d) 518 (TMOB)]. In the present case, however, given the relatively short period of co-existence of the parties' marks and the fact that it does not appear that the parties' marks have been used in the same parts of Canada, I am not prepared to accord much weight to the lack of evidence of confusion in this case.

State of the register evidence

[44] As a further surrounding circumstance, the Applicant relies on the state of the register evidence of Karen Cardinell. 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 CPR (3d) 432 and the decision in *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FC). Also of note is the decision in *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA) 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.

[45] Ms. Cardinell's search of the Canadian Trade-marks Database revealed 24 active marks for or containing the following word combinations: (1) whole and earth; (2) earth and farm; (3) whole and farm* (with a variable at the end of the word "farm").

[46] Further examination of these references, however, reveals that none of these registrations are related to the wares at issue in the present case. In this regard, there are no registrations for animal feed or pet food. As I am therefore not able to infer that consumers would be used to seeing such marks in the field of animal feed or pet food, the Cardinell affidavit does little to assist the Applicant's case.

Conclusion

[47] The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees WHOLE EARTH FARMS on the Applicant's pet food and pet treats at a time when he or she has no more than an imperfect recollection of the Opponent's

WHOLE EARTH trade-mark, and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot*].

[48] Having considered all of the surrounding circumstances and applying the test of confusion as a matter of first impression and imperfect recollection, I arrive at the conclusion that the probabilities of confusion between the marks at issue are evenly balanced between a finding of confusion and of no confusion. The Applicant has therefore not met the legal onus on it to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's trade-mark. In reaching this conclusion, I have had special regard to the fact that the Applicant has incorporated the Opponent's mark in its entirety as the first two portions of its word mark, the extent known of the Opponent's mark in Western Canada and the nexus between the parties' wares.

[49] The section 12(1)(d) ground of opposition therefore succeeds.

Remaining Grounds of Opposition

[50] The remaining grounds of opposition also turn on the issue of confusion between the Mark and the Opponent's WHOLE EARTH mark. I am satisfied that the Opponent has met its initial evidential burden under each of these grounds.

[51] For the most part, my conclusions respecting the section 12(1)(d) ground of opposition also apply to the remaining grounds of opposition. Thus, I find that at all material times the Applicant has not met the legal onus on it to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's trade-mark. Accordingly, the Opponent also succeeds on the section 16(1)(a), section 16(2)(a) and section 38(2)(d) grounds of opposition.

Disposition

[52] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Cindy R. Folz
Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office