



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

Citation: 2011 TMOB 28
Date of Decision: 2011-02-14

**IN THE MATTER OF AN OPPOSITION
by Barbara's Bakery, Inc. to application
Nos. 1,161,791 and 1,164,397 for the
trade-mark NATURE'S CHOICE CO. in
the name of Sparkles Photo Limited**

[1] On December 10, 2002, Sparkles Photo Limited (the Applicant), filed an application for the trade-mark NATURE'S CHOICE CO. based upon use of the mark in Canada by itself or its predecessor-in-title, A & G Corporation, since at least as early as April 1997. The statement of wares currently reads: "nuts, dried fruits, candies". The Applicant disclaimed the right to the exclusive use of the word CHOICE apart from the trade-mark as a whole. The application was advertised for opposition purposes in the Trade-marks Journal of February 11, 2004.

[2] On January 10, 2003, the Applicant filed another application for the trade-mark NATURE'S CHOICE CO., based upon use of the mark in Canada by it or its predecessor-in-title A & G Corporation, since at least as early as 1997 (which is considered December 31, 1997). The statement of wares for this mark, as amended, is "potato chips and banana chips". The Applicant also disclaimed the right to the exclusive use of the word CHOICE apart from the trade-mark as a whole. This application was also advertised for opposition purposes in the Trade-marks Journal of February 11, 2004.

[3] I will refer to both of the Applicant's applied for marks collectively as "the Mark" where appropriate.

[4] On April 13, 2004, Barbara's Bakery Inc., (the Opponent), filed a statement of opposition against both of the above noted applications. The grounds of opposition are that the Applicant has not used the marks since the claimed dates of first use contrary to s. 30(b) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), the Applicant's applications do not conform to the requirements of s. 30(i) of the Act, the marks are deceptively misdescriptive and therefore contrary to s. 12(1)(b), the marks are not registrable pursuant to s. 12(1)(d), the Applicant is not the person entitled to registration of the marks pursuant to s. 16(1)(a), and the marks are not distinctive. Each of the last three grounds is based on confusion with the Opponent's use and registration of its NATURE'S CHOICE and NATURE'S CHOICE and Design trade-marks, registration Nos. TMA501,692 and TMA535,743.

[5] The Applicant filed and served a counter statement in each opposition, in which it denied the Opponent's allegations.

[6] The Opponent's evidence in each opposition consists of certified copies of its NATURE'S CHOICE and NATURE'S CHOICE and Design, registration Nos. TMA501,692, and TMA535,743, as well as the affidavits of Shannon Young and Lorraine Hood. The Applicant's evidence, in each opposition, consists of a certified copy of its registration No. TMA417,314 for the trade-mark NATURE'S CHOICE and Design, and the affidavit of Elesh Ruparel. Mr. Ruparel was cross-examined on his affidavit so the transcript and replies to undertakings form part of the record. The Applicant also requested and was granted leave to file the affidavit of Linda Thibeault. As its evidence in reply, the Opponent filed a second affidavit of Shannon Young.

[7] Only the Opponent filed a written argument. An oral hearing was requested at which only the Applicant attended.

Onus and Material Dates

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial 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 [see *John Labatt Ltd v. Molson*

Companies Ltd. (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

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

- s. 38(2)(a)/s. 30 - the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475];
- s. 38(2)(b)/s. 12(1)(b) – the filing date of the application [see *Shell Canada Limited v. P.T. Sari Incofood Corporation* (2005), 41 C.P.R. (4th) 250 (F.C.T.D.); *Fiesta Barbeques Limited v. General Housewares Corporation* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.)];
- s. 38(2)(b)/s. 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 C.P.R. (3d) 413 (F.C.A.)];
- s. 38(2)(c)/s. 16(1) - the Applicant's date of first use [see s. 16(1)];
- s. 38(2)(d)/non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

History of the Mark

[10] At the commencement of the oral hearing, the Applicant provided a brief summary of the unique history of the Mark, reproduced in part below.

[11] The Applicant is the owner of Registration no. TMA417,314 for the mark NATURE'S CHOICE and Design (the Applicant's Registered Mark), shown below, which was registered September 24, 1993.



[12] While this mark was subject to Section 45 Proceedings [see *Marks & Clerk v. Rustom* (2004), 37 C.P.R. (4th) 567], the hearing officer and the Court [see *Marks & Clerk v. Sparkles Photo Ltd.* (2005), 41 C.P.R. (4th) 236] concluded that the evidence filed in that case was sufficient to maintain the registration for nuts, dried fruits and candies. The Federal Court decision was included as Exhibit E to the affidavit of Mr. Ruparel. The primary issue in both decisions was whether the use shown constituted use of the mark as registered, and whether the deviation in the trade-mark from its registered form was a permissible deviation, as discussed in *Saccone & Speed Ltd. v. Registrar of Trade-marks* (1982), 67 C.P.R. (2d) 119.

[13] The explanation given as to why the owner departed from the exact form of the mark as registered was two fold. Mr. Rustom, the individual who filed an affidavit in response to the s.45 notice which was attached as an exhibit to Mr. Ruparel's affidavit, explained that he was asked by an official of the Ministry of Agriculture to delete the eleven point maple leaf from the packaging as this use was apparently prohibited under federal law because it indicated that the packaged product was a Canadian product, whereas most nuts are imported into Canada. Additionally, the owner was asked to add the word "co." following the words "Nature's Choice" as the words were seen as promoting the false impression that the products were entirely naturally occurring whereas some of the wares actually contained significant amounts of non-naturally occurring food products.

[14] The court concluded as follows, at p. 249:

I find that the Senior Hearing Officer made a reasonable decision that should not be disturbed. The primary findings of fact are reasonable. The changes were necessary because of the intervention of a federal department. It would not have made good business sense to either revise the entire product line to Canadian products or to revise the entire product line to include only naturally occurring food products in order to preserve the rights in the trade-mark. Nor would it have made sense to use two (or more) variations of the mark, depending on the product packaged. Rather, a conservative revision of the mark was the only sensible alternative.

[15] The present application has been filed to reflect the changes to the Applicant's Registered Mark that were made in order to comply with the request of the Ministry of Agriculture. For the purposes of this decision, I will consider that any use of the Applicant's Registered Mark qualifies as use of the Mark.

Preliminary Issues

Admissibility of Rustom Affidavit

[16] Mr. Ruparel states in his affidavit that, at the date his company Nature's Choice Ltd. purchased the assets of and the business known as A & G Corporation, A & G Corporation was involved in a trade-mark dispute regarding the Applicant's Registered Mark. In response to a notice issued by the Registrar pursuant to s. 45 of the Act, Mr. Anan Rustom swore an affidavit which was found to evidence use of that mark [see *Marks & Clerk v. Rustom, supra*]. Attached as Exhibit C to Mr. Ruparel's affidavit is a copy of Mr. Rustom's Affidavit, and certain exhibits attached thereto.

[17] I acknowledge that the Registrar has accepted certified copies or photocopies of affidavits filed in other opposition proceedings where the circumstances justify such a course of action [see *Beachcombers Restaurant Ltd. v. Vita-Park Citrus Products Co. (1976)*, 26 C.P.R. (2d) 282 (T.M.O.B.)]. In the present case, the Applicant's agent submitted that such evidence, although hearsay, should be admitted because it is both necessary and reliable. In this regard, the Applicant's agent submitted that the Applicant was not aware of the whereabouts of Mr. Rustom at the time of filing the Applicant's evidence. Further, the Applicant's agent submitted that as the former owner of the Mark, Mr. Rustom was in a better position than the Applicant to explain the prior use and ownership of the Applicant's Registered Mark before the Applicant purchased it on August 30, 2001. The Applicant's agent further commented that this evidence was reliable as it was the same affidavit that was used in the Section 45 proceedings initiated against the Applicant's Registered Mark.

[18] In view that the Opponent did not object to the admissibility of this evidence, and in view of the Applicant's submissions, I am prepared to give some weight to it.

Assignment Document

[19] The Opponent argues that the Applicant's evidence is ambiguous as to who acquired rights in the Mark from the predecessor-in-title, A & G Corporation. Exhibit A to the Ruparel affidavit is an Assignment of Rights in the Applicant's Registered Mark dated September 24, 1993, from A & G Corporation to Nature's Choice Ltd. as of August 30, 2001. The Agreement

of Purchase and Sale (which was provided as an undertaking to the Ruparel cross-examination) assigns rights in the “trade-marks & Design NATURE’S CHOICE registered in Canada under No. TMA691,824 [sic] on September 24, 1993” from A & G Corporation to Sparkles Photo Limited as of August 30, 2001. The Opponent submits that the assignment of rights in the same registered mark from A & G Corporation to two different entities on the same date raises serious questions as to the ownership of the Applicant’s Registered Trade-mark, whether in the hands of Sparkles Photo Limited or Nature’s Choice Ltd.

[20] At the oral hearing, the Applicant’s agent submitted that the assignment document attached as Exhibit A to Mr. Ruparel’s affidavit was attached in error and the real assignment document is the one which was provided as a response to undertakings. The Applicant’s agent pointed to the letter from Mr. Ruparel to his legal counsel, Mr. Hofabauer, which had also been attached as a reply to undertaking. In that letter, Mr. Ruparel authorizes the assignment of the Applicant’s Registered Mark in the name of Sparkles Photo Limited, and states that such request is part of the transfer of assets agreement between A & G Corporation and Nature’s Choice Ltd. Finally, the Applicant’s agent notes that both in his affidavit and on cross-examination, Mr. Ruparel has explained that Nature’s Choice Ltd. has been using the Mark under license from Sparkles Photo Limited, and that Sparkles Photo Limited exercises control over the character/quality of the wares that are sold. It should also be noted that Mr. Ruparel is President, Director and Sole Shareholder of both Sparkles Photo Limited and Nature’s Choice Ltd.

[21] Ordinarily, where an affidavit is ambiguous, the doubt is resolved against the party who filed it [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183]. In the present case, however, I am prepared to find from the evidence in its totality that the proper assignment document is the one which identifies Sparkles Photo Limited as the assignee of the marks from A & G Corporation for the following reasons.

[22] Mr. Ruparel is the President, Director and Sole Shareholder of both Sparkles Photo Limited and Nature’s Choice Ltd. When one considers his affidavit, testimony on cross-examination and answers to undertakings, it is clear that his intention was for Nature’s Choice Ltd. to use the Mark under license from Sparkles Photo Limited from the date of assignment.

[23] In his affidavit, Mr. Ruparel stated the following at paragraph 5:

“Since August 30, 2001, Sparkles Photo Limited has been the owner of the registered trade-mark NATURE’S CHOICE and Design and the goodwill of the business carried on in Canada in association with the wares with which the trade-mark was used. A copy of the assignment of the registration *from A & G Corporation to Sparkles Photo* is attached as Exhibit A.” (emphasis added)

[24] The following excerpt from the cross-examination of Mr. Ruparel, where I note that Mr. Ruparel attended without legal counsel, also gives some information regarding the ambiguity from the documents that have been produced:

Q. 66 Who is the corporation who owns the marks and is transferring them to someone else?

A. A & G Corporation is the one who has transferred this mark.

Q. 67 Thank you. Just to be clear, this assignment covers Canadian Trade-mark Registration No. 417,314, correct?

A. Yes.

Q. 69 What is the company to whom the rights are being assigned?

A. Nature’s Choice Ltd., operating at the present.

Q. 70 How can Sparkles Photo be the owner if the marks have been assigned to Nature’s Choice Ltd.?

A. As it is mentioned here, since I own both companies, we decided to prepare assignments of the trade-marks to Sparkles Photo, and there are no different shareholders. This company is completely owned by me.

Q. 71 Sparkles assigned the trade-mark to Nature’s Choice?

A. Yes.

Q. 72 Why isn’t that recorded on the Canadian Trade-marks Register?

A. It is one and the same company. Rather than doing a double transaction on the same day...

Q. 73 Nature’s Choice Ltd. has no legal status?

A. Nature's Choice right now is printing and using this trade-mark from when the assignment has been obtained from Sparkles Photo Limited to use the trade-mark.

Q. 74 An assignment or a license?

A. It's a license.

Q. 75 So the rights in the trade-mark were not transferred to Nature's Choice Ltd. It is just a license?

A. Just a license.

Q. 76 But the assignment says from A & G Corporation to Nature's Choice Ltd.

A. I would have to go back to the papers and see, but I believe that is what is the case. The assignment was to Nature's Choice Ltd. or to Sparkles. We were debating on how to handle those things. Since they are both the same company, I have to see what is financially sound and what has been done.

Q. 81 But it appears that the same trade-marks were assigned to two separate entities, to Nature's Choice on one hand and to Sparkles which is the recorded owner.

A. We will get back to you on that. I believe it is Sparkles. Now I am worried that the form is still signed and sitting there. It might have been brought up in the file for evidence in error.

Q. 85 You mention in paragraph 6 and you have just stated a moment ago that Nature's Choice Ltd. is using the mark "Nature's Choice Co." under license from Sparkles. Is there a written license agreement?

A. Yes there is.

[25] The wording of Mr. Ruparel at paragraph 5 of his affidavit supports the Applicant's agent's explanation that he attached the wrong document to his affidavit by inadvertence. Mr. Ruparel later corrected this error by attaching the proper assignment as a reply to undertaking. Further, the letter from Mr. Ruparel to his legal counsel also attached as a reply to undertaking confirms that it was his intention that the Mark be assigned to Sparkles Photo Limited. Finally, from both his affidavit testimony, his testimony on cross-examination, and his replies to undertakings, it appears that it was Mr. Ruparel's intention that Nature's Choice Limited, as the purchaser of the assets of A & G Corporation, continue to operate the company "in the same

manner that A & G operated the company” (see Ruparel affidavit, para. 14) and use the Mark under license from Sparkles Photo Limited, the owner of the Mark.

[26] I am therefore satisfied from the evidence furnished, and the Applicant’s agent’s submissions, that the assignment document attached as a reply to undertaking was the *bona fide* assignment. I will add that to find otherwise would result in a significant prejudice to the Applicant.

Grounds of Opposition

s. 30(b) ground

[27] The burden on each party with respect to a s. 30(b) ground of opposition was explained as follows in *Ivy Lea Shirt Co. v. 1227624 Ontario Ltd.* (1999), 2 C.P.R. (4th) 562 (T.M.O.B.) at 565-6, affirmed 11 C.P.R. (4th) 489 (F.C.T.D.):

While the legal burden is upon the applicant to show that its application complies with Section 30 of the *Trade-marks Act*, there is an initial evidential burden on the opponent to establish the facts relied upon by it in support of its Section 30 ground (see *Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 (T.M.O.B.) at pp. 329-330; and *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.)). However, the evidential burden on the opponent respecting the issue of the applicant's non-compliance with Subsection 30(b) of the Act is a light one (see *Tune Masters v. Mr. P's Mastertune Ignition Services Ltd.* (1986), 10 C.P.R. (3d) 84 (T.M.H.O.) at p. 89). Further, the opponent may rely upon the applicant's affidavit evidence to meet its evidential burden in relation to this ground. In such a case, however, the opponent must show that the applicant's evidence is "clearly" inconsistent with the applicant's claims set forth in its application.

[28] In addition, s. 30(b) requires that there be continuous use of the applied for trade-mark in the normal course of trade since the date claimed [see *Labatt Brewing Co. v. Benson & Hedges (Canada) Ltd.* (1996), 67 C.P.R. (3d) 258 (F.C.T.D.) at 262].

[29] The Opponent pleads that the application does not comply with the requirements of s.30(b) for the following reasons:

1. the Applicant had not commenced use of the mark NATURE'S CHOICE CO. in Canada in association with nuts, dried fruits and candies as of the claimed date of first use (April, 1997);
2. use in Canada of the trade-mark NATURE'S CHOICE CO. since April 1997 has not been continuous; and
3. it was not the Applicant, Sparkles Photo Limited, or its predecessor-in-title A & G Corporation that used the trade-mark but rather entities known as Nature's Choice (A & G Corporation) or by A & G Corporation Nature's Choice.

[30] In support of its first argument, the Opponent submits that none of the snack foods identified in the list of products sold by Mr. Ruparel's company qualify as "dried fruits". In this regard, the Opponent submits that even if the Applicant's product mixes may include dried fruits, these products are not *per se* dried fruits and therefore do not support the claim of use of the Mark as applied to such wares.

[31] I respectfully disagree with the Opponent. First of all, I know of no requirement that the Applicant's wares can only be comprised of dried fruits in order to be named as such. Further, Exhibits GG and TT to Mr. Ruparel's affidavit show packages for Florida Mix and Youth Mix, both of which include various types of dried fruits such as raisins and pineapple. In view that the mixes are comprised at least in part of dried fruits, I am satisfied that such evidence is sufficient to show use of the Mark with dried fruits.

[32] In support of its second and third arguments, the Opponent submits that the evidence is ambiguous as to who acquired rights in the Applicant's Registered Mark from the predecessor-in-title A & G Corporation. As previously discussed, I am satisfied from the evidence in its totality that the Applicant has shown that the *bona fide* assignment was the one from A & G Corporation to Sparkles Photo Limited.

[33] Even if the ambiguity as to ownership of the Mark was clarified, the Opponent submits that another ambiguity exists regarding the alleged licensing of the mark between Sparkles Photo Limited and Nature's Choice Ltd. In this regard, while Mr. Ruparel gave an undertaking to

provide a copy of an alleged written license agreement between Sparkles Photo Limited and Nature's Choice Ltd., he did not provide such license agreement in response to this specific undertaking. The Opponent submits that an adverse inference should be drawn from his failure to do so.

[34] I note, however, that at paragraph 6 of his affidavit Mr. Ruparel did state that Nature's Choice Ltd. has been using the Mark under license from Sparkles Photo Limited and that such license was not in writing (implying that it was oral instead). He also explained in his affidavit that through his role with both Sparkles Photo Limited and Nature's Choice Ltd., the former exercises control over the character and quality of the wares sold in association with the Mark. Finally, at the oral hearing, the Applicant's agent explained that the relationship between Sparkles Photo Limited and Nature's Choice Ltd. was an informal one such that there would not have been a written agreement.

[35] As Mr. Ruparel has explained that Nature's Choice Ltd. has been using the Mark under license from Sparkles Photo Limited, and that Sparkles Photo Limited exercises control over the character/quality of the wares that are sold, and also bearing in mind that he is the President, Director and Sole Shareholder of both companies, I am prepared to conclude that the use shown accrues to the Applicant pursuant to s.50 of the Act [see *TGI Friday's of Minnesota, Inc. v. Canada (Registrar of Trade-marks)* (1999), 241 N.R. 362 (F.C.A.) and *Petro-Canada v. 2946661 Canada Inc.* (1998), 83 C.P.R. (3d) 129 (F.C.T.D.)].

[36] As its final argument under this ground, the Opponent asserts that it was not the Applicant or its predecessor-in-title A & G Corporation that used the Mark but rather use was by entities known as Nature's Choice (A & G Corporation) or by A & G Corporation Nature's Choice. In this regard, attached as Exhibit C to the affidavit of Mr. Ruparel were invoices from 1999 addressed from North American Impex Incorporated (who Mr. Ruparel explains was and still is the wholesaler of the Applicant and its predecessor-in-title) to Nature's Choice (A & G Corporation). Attached as Exhibit D to Mr. Rustom's affidavit were invoices also from 1999, addressed from A & G Corporation, Nature's Choice Division to Burger King.

[37] In the affidavit of Mr. Rustom, Mr. Rustom explains that he, together with Gary Moshonas, operated a business as a partnership in Southern Ontario under the name Nature's

Choice Company from the fall of 1990 until the partnership became a corporation on April 11, 1997, under the name of A & G Corporation. Since its incorporation in April of 1997, the corporation has carried on business under the business name Nature's Choice Co. On January 16, 2001, the Applicant's Registered Mark was assigned from the former partnership to the corporation, retroactive to April 12, 1997.

[38] The Master Business Licence attached to Mr. Rustom's affidavit shows the license owner's legal name as A & G Corporation and its business name as Nature's Choice Co. I also note that the address for A & G Corporation that appeared on the Master Business License is the same address the invoices addressed to Nature's Choice (A & G Corporation) attached as Exhibit C to Mr. Rustom's affidavit were addressed to. With respect to the invoices attached as Exhibit D to Mr. Rustom's affidavit, I consider it reasonable to assume that the reference to Nature's Choice Division was used to distinguish the business operating as Nature's Choice from any other business that may have been done by A & G Corporation.

[39] In summary, the Applicant's Registered Mark was used by the partnership **Nature's Choice Company** until the partnership became **A & G Corporation** on April 11, 1997, carrying on business under the name **Nature's Choice Co.** On April 12, 1997, the Applicant's Registered Mark was assigned from the Nature's Choice Company to A & G Corporation. The Applicant's Registered Mark was then assigned from A & G Corporation to **Sparkles Photo Limited** on August 30, 2001. Also on August 30, 2001, **Nature's Choice Ltd.**, purchased the assets of A & G Corporation pursuant to an agreement of purchase and sale. Nature's Choice Ltd. has since operated the company and uses the Mark under license from Sparkles Photo Limited. Therefore, from the evidence furnished, I am satisfied that the Applicant has shown continuous use of the Mark since at least as early as April 1997 by itself or its predecessor-in-title, A & G Corporation.

[40] In view of the above, the s. 30(b) ground is not successful.

s. 30(i) ground

[41] The Opponent pleads that the Mark does not comply with s. 30(i) of the Act because at the alleged date of first use of the Mark and at the date of filing the application, the Applicant was aware that it was not entitled to use the Mark in association with the applied for wares.

[42] The requirement under s. 30(i) of the Act is to include, in the application, a statement that the Applicant is satisfied that it is entitled to use the Mark in Canada in association with the wares. The Applicant has formally complied with the provisions of s. 30(i) of the Act by including the required statement in both of its applications. The issue then becomes whether or not the Applicant has substantively complied with that subsection, i.e., was the statement true when the applications were filed?

[43] Previous oppositions based on non-compliance with s. 30(i) of the Act have been successful where an opponent has made out a *prima facie* case that the applicant's proposed use of its mark was in potential violation of a federal statute. As stated at pp. 542-43 of the opposition decision in *Interactiv Design Pty Ltd. v. Grafton-Fraser Inc.* (1998), 87 C.P.R. (3d) 537 (T.M.H.O.):

... in the course of dealing with section 30(i) grounds of opposition, the Trade-marks Opposition Board has in the past found it necessary to consider whether an opponent has made out a *prima facie* case of contravention of another federal statute, as opposed to finding that there has actually been contravention. For example, a case of *prima facie* copyright infringement was found to exist in *E. Remy Martin & Co. S.A. v. Magnet Trading Corp. (HK) Ltd.* (1988), 23 C.P.R. (3d) 242 (T.M.O.B.), discussed in the applicant's written argument and various oppositions by Canada Post Corporation have resulted in a finding of *prima facie* contravention of the *Canada Post Corporation Act*, R.S.C. 1985, c. C-10 (see for example, *Canada Post Corp. v. Metromail Corp.*, November 19, 1997 (T.M.O.B.) [now reported 84 C.P.R. (3d) 511]). In addition, *prima facie* contravention of the *Food and Drugs Act*, R.S.C. 1985, c. F-27, supported the success of a section 30(i) ground of opposition in *Institut National des Appellations d'Origine v. Brick Brewing Co.* (1995), 66 C.P.R. (3d) 351 (T.M.O.B.).

[44] In the present case, the Opponent submits that the Applicant was aware that it was not entitled to use the Mark in association with the applied for wares because they are not “natural” and as such, the Applicant is not permitted to give consumers the false impressions that the products are naturally occurring. Relying on the affidavit of Mr. Rustom, the Opponent submits that the Applicant’s predecessor-in-title was contacted by Mr. Peter Travers of the Ministry of Agriculture and asked to add the element “co.” following the words “nature’s choice”. This request was made on the basis that use of the term “nature’s choice” was considered to promote the false impression that the products contained in the packaging were entirely naturally occurring whereas some of the wares contained significant amounts of non-naturally occurring food products, such as gelatin, chocolate, etc. The Opponent further submits that the Applicant

was well aware that it was not to use the term NATURE'S CHOICE as a mark in association with its products. By seeking to register the trade-mark NATURE'S CHOICE CO. and to present that trade-mark as it is doing in the evidence is, in the Opponent's submission, contrary to s. 30(i) of the Act.

[45] While Ms. Young attached as exhibits to her affidavit excerpts from the Canadian Food Inspection Guide to Food Labeling and Advertising, various decisions purportedly from the Canadian Food Inspection Agency, copies of the *Consumer Packaging and Labeling Act*, the *Consumer Packaging and Labeling Regulations*, and the *Food and Drugs Act*, neither Ms. Young nor the Opponent's agent make any submissions about the potential relevance of these materials. The Opponent has therefore not established, which statutory provisions, if any, govern the use of the word NATURE or NATURAL on food labels. Further, as I understand the evidence, the addition of the word "co." following the words "nature's choice" would have made the Mark in compliance with the request made by the Ministry of Agriculture, and therefore presumably also in compliance with whichever law or provision which it had previously contravened. As I am not satisfied that the Opponent has met its evidential burden under this ground it is therefore dismissed.

s. 12(1)(d) ground of opposition

[46] The s. 12(1)(d) ground of opposition turns on the issue of the likelihood of confusion between the Mark and each of the Opponent's marks.

[47] I will assess the likelihood of confusion between the Mark and the Opponent's NATURE'S CHOICE word mark, registration No. TMA501,692, as that mark represents the Opponent's strongest case. I note that the Opponent's initial burden with respect to the s. 12(1)(d) ground has been satisfied because registration No. TMA501,692 is in good standing.

test for confusion

[48] 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 s. 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. These enumerated factors need not be attributed equal weight.

[49] The Supreme Court of Canada has discussed the appropriate process for assessing all the surrounding circumstances to be considered in determining whether two trade-marks are confusing in its decisions in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* (2006), 49 C.P.R. (4th) 401. It is with these general principles in mind that I shall now assess all of the surrounding circumstances.

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

[50] Neither party's mark is inherently strong. Accordingly, the inherent distinctiveness of the trade-marks at issue is not a criterion which weighs in favour of either of the parties.

[51] The strength of a trade-mark may be increased, however, by means of it becoming known through promotion or use. The evidence of the Opponent's affiant, Ms. Hood, provides the following information:

- the Opponent has been selling grain based snack bars in association with its mark in Canada since 1989;
- the Opponent sells its grain based snack bars to several Canadian distributors who then sell the snack bars to food stores across Canada;
- the Opponent's mark appears prominently on all packaging, and individual wrappers; and

- annual sales in Canada of the Opponent's NATURE CHOICE products have been between \$100,500 and \$319,000 annually from mid-2000 to 2004;

[52] On the other hand, the affidavit of the Applicant's affiant, Mr. Ruparel, establishes the following:

- the Applicant's predecessor-in-title first commenced use of the Applicant's Registered Mark in the fall of 1990;
- the Applicant has used the Mark since it acquired it on August 30, 2001;
- the Applicant's customers consist primarily of convenience stores in Metropolitan Toronto, Hamilton, Oakville, Burlington and the Niagara Region, including franchised food outlets such as Burger King, airport gift shops, newsstand franchises and International News franchises; as of the date of Mr. Ruparel's affidavit, the Applicant had over 400 customers that regularly purchased snack foods; and
- annual sales of products sold in association with the Mark from August 2001 to December 2005 have been between \$103,454 and \$374,022.

[53] Based on the foregoing information, I conclude that both parties' marks have become known to about the same extent in Canada. This factor therefore also does not favour either party.

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

[54] While the Mark is based on use since at least as early as 1997, the Applicant has only shown use of the Mark since 2001. The Opponent also claims to have been using its mark since 1989 but has only shown use of such mark since mid-2000. I therefore consider that this factor only slightly favours the Opponent.

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

[55] When considering the wares, services and trades of the parties, it is the statement of wares in the parties' trade-mark application and registration that govern in respect of the issue of

confusion arising under s. 12(1)(d) [see *Henkel Kommanditgesellschaft auf Aktien v. Super Dragon Import Export Inc.* (1986), 12 C.P.R. (3d) 110 (F.C.A.); *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe Inc. v. Bohna* (1994), 58 C.P.R. (3d) 381 (F.C.A.)]. Statements of wares or services 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 *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (F.C.A.)].

[56] I agree with the Opponent that the parties' wares are related to the extent that both comprise snack food related products. In this regard, the Opponent's registered wares are grain based snack bars and the applied for wares are nuts, dried fruits, candies (for application No. 1,161,791) and potato chips and banana chips (for application No. 1,164,397).

[57] With respect to the parties' channels of trade, the Opponent sells its grain based snack bars to Canadian distributors who sell to "food stores" across Canada. Ms. Hood does not, however, provide any details regarding the food stores in which the Opponent's wares are sold.

[58] The Applicant, on the other hand, purchases snack foods in bulk and re-packages them into individual snack sized bags bearing the Mark. These snack size bags are then distributed by the Applicant to its customers. Many customers display the snack size bags on retail display racks provided to them by Nature's Choice Ltd., photographs of which are attached to Mr. Ruparel's affidavit as Exhibit F.

[59] Mr. Ruparel explains that Nature Choice Ltd.'s customers consist primarily of variety and convenience stores in southern Ontario. More specifically, it has customers in Metropolitan Toronto, Hamilton, Oakville, Burlington and the Niagara Region. Its customers include franchised food outlets such as Burger King Restaurants, and airport gift shops operated in southern Ontario. Its largest portion of customers includes newsstands, including Gateway newsstand franchises and International News franchises.

[60] The Mark is a mark that has allegedly been used, either in its original form or in its present form, since 1990. However, the Applicant's application is not restricted to those

channels of trade in which it has operated, and the “food stores” where the Opponent’s wares have been sold could easily include some of the same locations where the Applicant’s wares have been sold. It is therefore likely that the parties’ channels of trade either already overlap or could potentially overlap.

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

[61] The marks bear a considerable degree of resemblance in all aspects because they both share the same two elements, i.e. the words NATURE’S and CHOICE.

further surrounding circumstances

state of the register evidence

[62] As a surrounding circumstance, the Applicant submitted evidence of the state of the register by way of the Thibeault affidavit. State of the register evidence is introduced to show the commonality or distinctiveness of a mark or portion of a mark in relation to the register as a whole. Evidence of the state of the register is only relevant inasmuch as inferences may be made on it concerning the state of the marketplace [see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 (T.M.O.B.); *Welch Foods Inc. v. Del Monte Corp.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.)]. Inferences regarding the state of the marketplace based on state of the register evidence can only be drawn when a significant number of pertinent registrations are located [see *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)].

[63] Ms. Thibeault located many trade-mark registrations for marks that incorporate the words NATURE, NATURAL or CHOICE in association with snack and food products. At least 66 registrations containing the word NATURE or NATURAL cover wares that overlap with those of the Applicant and the Opponent. An additional 66 registrations containing the word CHOICE cover wares that overlap with those of the Applicant and the Opponent.

[64] Even if I were not to consider the six marks objected to by the Opponent in the second affidavit of Ms. Young, I would still consider the number of registered marks located by Ms. Thibeault to be sufficient to conclude that it is common in the marketplace to adopt NATURE or

NATURAL trade-marks and CHOICE trade-marks in the exact same field as that occupied by the Opponent's mark. Accordingly, consumers are presumably adept at distinguishing between one such mark and another. Given this evidence, it would be inappropriate to accord a wide scope of protection to the Opponent's trade-mark as it is a weak mark.

absence of any evidence of confusion

[65] Another surrounding circumstance is the lack of any instances of confusion between the marks despite at least ten years of alleged coexistence of the Opponent's NATURE'S CHOICE mark and the Applicant's NATURE'S CHOICE CO. mark, either in its original or present form. 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 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 C.P.R. (3d) 356 (F.C.T.D.); *Mercedes-Benz A.G. v. Autostock Inc.* (1996), 69 C.P.R. (3d) 518 (T.M.O.B.)]. Therefore, in view that both parties have carried on business concurrently in southern Ontario for such a long period of time, I will consider this surrounding circumstance very relevant to my determination of the likelihood of confusion.

conclusion re: likelihood of confusion

[66] Having considered all of the surrounding circumstances, I find that there is not a reasonable likelihood of confusion between the marks. I reach this conclusion primarily because the marks at issue are of low inherent distinctiveness and have peacefully co-existed for several years with no instances of confusion. Further, the Applicant has shown that trade-marks incorporating the words NATURE, NATURAL or CHOICE are very common in the food and snack industry. The Opponent's mark is therefore a weak mark and small differences should be sufficient to avoid the likelihood of confusion [*Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]. In the present case, while both marks are similar in that they both include the components NATURE'S and CHOICE, I am of the opinion that the addition of the element "CO." in the Mark is sufficient to distinguish between the marks

because of their low inherent distinctiveness. This ground of opposition is therefore unsuccessful.

Section 16(1) ground

[67] With respect to the s. 16(1) ground of opposition, there is an initial burden on the Opponent to evidence use of its trade-marks prior to the Applicant's claimed date of first use and non-abandonment of its marks as of the date of advertisement of the Applicant's application [s. 16]. Although Ms. Hood has attested that the Opponent has used its NATURE'S CHOICE marks in association with its wares since 1989, she did not evidence any sales of any of the registered wares prior to the year 2000. As the Opponent must show that use occurred in accordance with s. 4 of the Act, not merely state that it has occurred, this ground is dismissed on the basis that the Opponent has not satisfied its initial burden.

Section 38(2)(d) ground

[68] In order to meet its evidential burden with respect to this ground, the Opponent must show that as of the filing of the opposition (April 13, 2004) the Opponent's marks had become known sufficiently to negate the distinctiveness of the Mark [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.); *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.)]. Ms. Hood's evidence satisfies the Opponent's initial burden. However, for reasons similar to those set out above with respect to the s. 12(1)(d) ground of opposition, I find that the Applicant has met its legal burden, with the result that this ground also fails.

Section 12(1)(b) ground

[69] The Opponent pleaded its s. 12(1)(b) ground as follows:

...the trade-mark NATURE'S CHOICE CO. is deceptively misdescriptive when used in association with the wares nuts, dried fruits and candies. A partner in the Applicant company's predecessor company, Mr. Anan Rustom, was advised by Mr. Peter Travers of the Ministry of Agriculture that NATURE'S CHOICE CO. promoted the false impression that the products sold under the mark were entirely naturally occurring. In an

affidavit filed in respect of a Cancellation Action involving Canadian Trade-marks Registration No. TMA417, 314 NATURE'S CHOICE & Design, Mr. Rustom attested to the fact that the products sold under the mark contained non-naturally occurring food products.

[70] The issue is to be determined from the point of view of an everyday user of the wares or services. Further, the trade-mark in question must not be carefully analyzed and dissected into its component parts but rather must be considered in its entirety and as a matter of first impression [see *Wool Bureau of Canada Ltd. v. Registrar of Trade-marks* (1978), 40 C.P.R. (2d) 25 (F.C.T.D.) at 27-28, and *Atlantic Promotions Inc. v. Registrar of Trade-marks* (1984), 2 C.P.R. (3d) 183 (F.C.T.D.)]. Character means a feature, trait or characteristic of the wares and "clearly" means "easy to understand, self-evident or plain" [see *Drackett Co. of Canada Ltd. v. American Home Products Corp.* (1968), 55 C.P.R. 29 (Can. Ex. Ct.) at 34].

[71] Although there is a legal burden upon the Applicant to show that the Mark is registrable, the Opponent must first adduce sufficient evidence to support its claim that the mark is deceptively misdescriptive [see *John Labatt Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

[72] The Opponent submits that, as a matter of immediate impression, the average consumer would be deceived as to the character of the Applicant's nuts, dried fruits and candies and would wrongly assume that these wares are made of naturally occurring food products.

[73] In *Lotte Confectionery Co. v. Tong Yang Confectionery Corp.* (2001), 13 C.P.R. (4th) 182, Member Bradbury considered whether or not the word CHOCOPIE was deceptively misdescriptive of the applicant's non-pie wares as follows:

...With respect to the remaining wares, the word CHOCOPIE is clearly not descriptive since the wares are not "pies". The question therefore becomes whether or not the mark is deceptively misdescriptive of the applicant's non-pie wares. In *Gaines Pet Foods Corp. v. Tri-V Pet Foods Ltd.* (1996), 73 C.P.R. (3d) 566 (T.M.O.B.) at pp. 570-571, the Chairman of the Opposition Board dealt with the question of whether the trade-mark PRIME CUTS was clearly descriptive or deceptively misdescriptive of "dog food and cat food" in the following manner:

In the present case, and even if a consumer were to conclude that the words PRIME CUTS suggested "pieces of highest quality meat", I do not think that the average purchaser would, as a consequence, assume that the canned pet food contained such a product. Rather, and as pointed out by Patricia Dixon in her affidavit, canned pet food costs considerably less than quality meat for human consumption, such that the average purchaser would not believe that he or she was buying high quality meat when buying PRIME CUTS canned dog food or cat food. As a result, I do not find the trade-mark to be clearly descriptive when applied to the applicant's wares. Moreover, I do not believe that the average purchaser of the applicant's wares could be misled by the trade-mark PRIME CUTS into thinking that the applicant's wares contain meat of the highest quality. Thus, the trade-mark PRIME CUTS is not deceptively misdescriptive of dog food or cat food. Rather, the average purchaser of the applicant's wares would recognize the trade-mark PRIME CUTS as being a fanciful name for pet food and, at most, suggestive of the fact that the applicant's wares are high quality pet food. I therefore find that the applicant has discharged the legal burden upon it in respect of the second ground which I have rejected.

In the as yet unreported January 12, 2001 decision in *1055779 Ontario Inc. v. Aliments Carrière Inc.* [now reported 11 C.P.R. (4th) 404], Opposition Board Member Myer Herzig dealt with the question of whether MARKET FRESH was deceptively misdescriptive of frozen fruits and vegetables as follows, at page 5 of his decision [at pp. 409-410 C.P.R.]:

The mark MARKET FRESH, when used in association with the applicant's wares, is an oxymoron because frozen products cannot be fresh. The average consumer would not be deceived in any way but would recognize the mark as a form of puffery designed to attract attention. At most, the applied for mark MARKET FRESH, used in association with the applicant's wares, merely suggests that the applicant's wares will taste relatively fresh. Of course, a mark may be suggestive without being clearly descriptive or deceptively misdescriptive.

I conclude that the present applicant's mark is not deceptively descriptive of the character or quality of chocolates, ice-creams, wafers, caramels, candies, breads, cakes, chewing gums, cookies, puddings, or pastries for the simple reason that an average user or dealer of such wares will not be deceived into thinking that they are "chocolate pies" simply because they bear the CHOCOPIE Design trade-mark. At most, they might conclude that the trade-mark suggests that the wares in question have a flavour reminiscent of "chocolate pie". They might also respond to the trade-mark merely as a fanciful, nonsense word given that CHOCOPIE *per se* is not a word in the English or French language and the recognition of it as a combination of the two words CHOCO and PIE might not be readily apparent when it is associated with wares other than pies.

[74] While the evidence in the present case does show that the Applicant's wares are not completely made of naturally occurring food products, I conclude that the Mark is not

deceptively misdescriptive of the character or quality of nuts, dried fruits, candies, potato chips and banana chips mainly because the average user or dealer of such wares will not be deceived into thinking that the wares are completely made only of natural occurring food products simply because they bear the NATURE'S CHOICE CO. trade-mark. At most, they may conclude that the trade-mark suggests a company named Nature's Choice. In addition, the inclusion of the element "CO." in my view prevents the Mark from being in its entirety deceptively misdescriptive.

[75] I therefore do not consider that NATURE'S CHOICE CO., when considered in its entirety and as a matter of immediate impression, deceptively misdescribes the character or quality of the Applicant's wares as being those of such quality that they are made only of natural occurring food products. This ground is therefore unsuccessful.

Disposition

[76] In view of the above, and pursuant to the authority delegated to me under s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8) of the Act.

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