

**IN THE MATTER OF AN OPPOSITION by
Société des Produits Nestlé S.A. to application
No. 798,192 for the trade-mark SPACE RAINBOW
filed by U L Canada Inc.**

On November 27, 1995, the applicant, U L Canada Inc., filed an application to register the trade-mark SPACE RAINBOW based on proposed use in association with frozen confections. The application was advertised for opposition purposes on May 1, 1996. Ault Foods Limited/Les Aliments Ault Limitee filed a statement of opposition on October 1, 1996. The applicant filed and served a counter statement. Société des Produits Nestlé S.A. became the opponent, as the result of the purchase of the mark relied on in the statement of opposition.

The opponent filed as its evidence the affidavit of Glenda Mahabir. As its evidence, the applicant filed the affidavits of Wendy Halbert, Dan McKay and Mary Noonan. The opponent obtained an order to cross-examine each of the applicant's affiants on their affidavits but ultimately only proceeded with the cross-examination of Dan McKay. The transcript of his cross-examination and answers to undertakings were filed.

Both the applicant and the opponent filed a written argument. An oral hearing was held at which only the opponent was represented.

Four grounds of opposition have been pleaded. The first ground of opposition, which is based on Section 30 of the *Trade-marks Act*, has not been sufficiently pleaded. The opponent has claimed that the applicant was aware of the opponent's use and registration of the trade-mark SUPER RAINBOW ROCKET for water ices and therefore could not have been satisfied that it was entitled to use the applied for mark. The opponent has not pleaded in this ground of opposition that the two marks are confusing. Being aware of a trade-mark that one does not consider to be confusing with one's mark is not inconsistent with a statement that one is satisfied that one is entitled to use one's mark. In any event, no evidence has been furnished by the opponent to show that the applicant was aware of the opponent's registration and

prior use of its trade-mark. The Subsection 30(i) ground of opposition is therefore unsuccessful.

The second, third and fourth grounds of opposition all turn on the issue of the likelihood of confusion between the applicant's trade-mark SPACE RAINBOW and the opponent's trade-mark SUPER RAINBOW ROCKET. The SUPER RAINBOW ROCKET trade-mark has been registered under No. TMA 414, 420 for water ice and a certified copy of registration No. 414,420 was provided as an exhibit to the Mahabir affidavit. The opponent also claims use of such mark in association with water ice since before November 27, 1995. As a result, the opponent relies on the SUPER RAINBOW ROCKET trade-mark in support of grounds of opposition based on Paragraphs 12(1)(d) and 16(3)(a) of the *Trade-marks Act*, as well as on non-distinctiveness.

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

Paragraph 12(1)(d) - the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (FCA)]; Paragraph 16(3)(a) - the filing date of the application; non-distinctiveness - the date of filing of the opposition [*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.)].

The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion set forth in Subsection 6(2) of the *Trade-marks Act*, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in Subsection 6(5) of the *Act*. The weight to be given to each relevant factor may vary, depending on the circumstances [*Clorox Co. v. Sears Canada Inc.* 41 C.P.R. (3d) 483 (F.C.T.D.); *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.)].

There is a legal burden on the applicant to establish that there would be no reasonable likelihood of confusion between the marks in issue. This means that if a determinate conclusion cannot be reached, the issue must be decided against the applicant [*John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293].

I will consider first the Section 16 ground of opposition. With respect to this ground of opposition, there is an initial burden on the opponent to evidence use of its trade-mark in Canada prior to the material date. Such use must be by the opponent or a licensee whose use satisfies the requirements of Section 50 of the *Act*. In addition, Subsection 17(1) of the *Act* requires that the opponent's mark not have been abandoned at the date of advertisement of the applicant's application.

Evidence with respect to the use of the opponent's mark is provided by Ms. Mahabir, Category Development Manager, for the POLAR line of frozen food products of Nestlé Canada Inc. Nestlé Canada Inc. is the Canadian licensee for the SUPER RAINBOW ROCKET trade-mark. Although no evidence has been filed concerning the control exercised by the trade-mark owner over its licensee, the opponent benefits from the presumption set out in Subsection 50(2) of the *Act*, as the labels provided identify the trade-mark owner and indicate that Nestlé Canada Inc. is using the mark under licence. At the material date, the opponent's mark was being used by its predecessor-in-title, Ault Foods Limited. The packaging used by Ault Foods Limited has been provided and shows use of the mark by such company.

Ms. Mahabir has provided a breakdown of the volume and value of sales in Canada under the SUPER RAINBOW ROCKET trade-mark on an annual basis from 1993 through 1997. Accordingly, the opponent has satisfied its evidential burden.

I will now consider the circumstances set out in Paragraph 6(5)(a) of the *Act*.

Inherent Distinctiveness

Both the opponent's trade-mark SUPER RAINBOW ROCKET and the applicant's trade-mark SPACE RAINBOW are inherently distinctive.

Extent to which Marks have Become Known

As of November 27, 1995, Canadian net sales of the opponent's SUPER RAINBOW ROCKET water ice exceeded two million dollars. As the applicant's application was based on proposed use, its mark had not of course become known to any extent as of November 27, 1995.

Length of Time the Marks Have Been in Use

This factor favours the opponent, the opponent's predecessor having commenced use of its SUPER RAINBOW ROCKET mark in Canada in May 1991. Use of the applicant's SPACE RAINBOW mark began in May 1996.

Nature of the Wares, Services, Business and Trade

The wares of the parties are identical. Water ices are a form of frozen confection and the evidence shows that both parties use their marks with multi-coloured products on a stick, which are sold in single servings in a similar type of packaging. The opponent says that its products are sold mainly through convenience stores and at special events and are considered to be impulse purchase items. The applicant sells its product to consumers through vendors operating from vending bicycles, motorized scooters and trucks. However, the applicant's statement of wares is not so limited in its application and therefore it would be entitled to sell its products through more standard channels of trade for single serving frozen confections, such as convenience stores, if it so desired.

Since both parties' products are frozen, they would necessarily be sold from freezers in stores and therefore most likely side by side and in a different location from non-frozen confections.

When considering the nature of the wares, it is appropriate to also consider the class of customers who purchase such wares [see *Leaf Confections Ltd. v. Maple Leaf Gardens Ltd.* (1986), 12 C.P.R. (3d) 511 (FCTD), affirmed 19 C.P.R. (3d) 331 (FCA)]. It seems reasonable to conclude that the most avid consumers of the parties' frozen confections would be young children, who might be even more likely to conclude that the wares associated with the two marks are the wares of the same party. The likelihood of confusion is of course to be assessed from the viewpoint of the average consumer with an imperfect recollection of the opponent's mark.

Degree of Resemblance Between the Marks

Both marks share the word RAINBOW. Although this word is not the first word in either mark, it is still a dominant feature of each mark. The parties' packaging supports this conclusion; the applicant displays the word RAINBOW in lettering of a far larger size than that employed for the word SPACE, whereas the opponent distinguishes the word RAINBOW from the word SUPER by displaying the two

words on different lines and in different colours and sizes.

There is some degree of resemblance between the marks when sounded.

In idea suggested, both marks combine an outer space idea (SPACE and ROCKET) with the idea of a rainbow. As pointed out by the opponent, this is an unusual combination of ideas.

Other Surrounding Circumstances

The applicant has relied on three other surrounding circumstances: its family of SPACE marks; the lack of reported incidents of confusion between SUPER RAINBOW ROCKET and SPACE RAINBOW; and the adoption of RAINBOW marks by third parties.

The applicant claims long and extensive use of at least 14 trade-marks that incorporate the word SPACE and the opponent has stated that it does not deny that the applicant owns a family of SPACE marks. However, owning a family of marks does not mean that one is entitled to add additional members to that family, especially when a third party is objecting to the proposed new member for reasons other than its use of the family's theme. The applicant clearly does not own a family of either RAINBOW marks or marks that combine the idea of outer space with rainbows.

The applicant began using its SPACE RAINBOW mark in May 1996 and as of March 17, 1998 it had sold over two million individual units. During that time, in excess of 270,000 units of SUPER RAINBOW ROCKET were sold. Yet Ms. Halbert has "not encountered any documented or anecdotal incidences evidencing confusion between SPACE RAINBOW frozen confections and the opponent's SUPER RAINBOW ROCKET product" (paragraph 14, Halbert affidavit). However, given the unique channels of trade employed by the applicant, the parties' wares were not being sold from similar sources. In addition, as neither party has indicated where in Canada its wares are sold, we do not know if they have been sold in the same geographical areas. It is of course not necessary that actual confusion be shown in order for the opponent to succeed.

The applicant's state of the register and state of the marketplace evidence is not in my

view persuasive. There is no evidence from someone in the trade that it is common to adopt the word "rainbow" as part of trade-marks in this field; instead the evidence comes from a trade-mark searcher and a student at law. The register search was directed to both RAINBOW word marks and Rainbow design marks for confectionery food products. Given that the marks in issue are both used in association with frozen confections, I consider that category of confections to be the most relevant. As stated by the Federal Court in *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R. (3d) 483 (F.C.T.D.), at page 490: "One only needs to look at the thousands of different foods, meats, condiments, confectioneries, cereals and what-not, found in some supermarket to be wary of giving too much weight in some circumstances to the 'same general class' test."

The only RAINBOW word marks located by the searcher that cover frozen confections are the two marks in issue here. The student at law's evidence does not reveal any use of RAINBOW in association with frozen confections by third parties.

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Conclusion re Section 16 Ground

I conclude that the applicant has failed to satisfy the burden on it to show that confusion is not reasonably likely between its SPACE RAINBOW trade-mark and the opponent's SUPER RAINBOW ROCKET trade-mark as of November 27, 1995. I have reached this conclusion primarily on account of the nature of the wares and the resemblance between the marks. The Section 16 ground of opposition therefore succeeds.

Paragraph 12(1)(d) Ground

Regarding the Paragraph 12(1)(d) ground of opposition, I need to consider those circumstances considered under the Section 16 ground that have changed as a result of the different material date, namely today's date as opposed to November 27, 1995.

As of this ground's material date, there is significant evidence of use and promotion of the applicant's mark. The opponent's mark has still been in use for a longer period of time but now there has been extensive use of both parties' marks. In addition, the opponent has admitted that it does not advertise its mark whereas the applicant has.

Although the applicant's case is clearly stronger as of today's date, I still am not

satisfied that there is no reasonable likelihood of confusion between the marks. The Paragraph 12(1)(d) ground of opposition therefore succeeds.

Non-distinctiveness Ground

In order for the distinctiveness ground of opposition to succeed, the opponent need only have shown that as of October 1, 1996, its trade-mark had become known sufficiently to negate the distinctiveness of the applied for mark [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.)]. Although the applicant did commence use of its mark in May 1996, the extent of its use prior to October 1, 1996 has not been provided. Therefore, for the reasons discussed pursuant to the Section 16 ground of opposition, I conclude that there was a reasonable likelihood of confusion between the marks as of October 1, 1996 and that, as a result, the applicant's mark was not distinctive as of that date. Accordingly, the ground of opposition based on non-distinctiveness succeeds.

Having been delegated by the Registrar of Trade-marks by virtue of Subsection 63(3) of the *Trade-marks Act*, I refuse the applicant's application pursuant to Subsection 38(8) of the *Act*.

DATED AT TORONTO, ONTARIO, THIS 20th DAY OF SEPTEMBER, 2000.

Jill W. Bradbury
Hearing Officer
Trade-marks Opposition Board