

**IN THE MATTER OF AN OPPOSITION by
Dairy Farmers of Canada/Les Producteurs Laitiers du Canada to application No. 820,919
for the trade-mark HORIZON & Design
filed by Horizon Organic Dairy, Inc.**

On August 16, 1996, the applicant, Horizon Organic Dairy, Inc., filed an application to register the trade-mark HORIZON & Design. The application is based upon proposed use of the trade-mark in Canada in association with milk and dairy products, namely, homogenized milk, low fat milk, sour cream and yogurt, ice cream, whipping cream, half and half milk and cream mixtures, cream cheese, cottage cheese, hard and soft cheeses, and butter. The application is also based upon use and registration of the trade-mark in the United States of America in association with milk and dairy products, namely, homogenized milk, low fat milk, sour cream and yogurt. The applicant has disclaimed the right to the exclusive use of the word ORGANIC apart from the trade-mark. The mark is shown below:



The application was advertised for opposition purposes in the Trade-marks Journal of October 29, 1997. The opponent, Dairy Farmers of Canada/Les Producteurs Laitiers du Canada, filed a statement of opposition on December 24, 1997.

The applicant filed and served a counter statement in which it denied the grounds of opposition.

The opponent filed as its evidence a certified copy of trade-mark registration No. 350,848 and the affidavit of Yvan Garceau.

As its evidence, the applicant filed a certified copy of the Canadian Intellectual Property Office's file regarding registration No. 323,793, two affidavits of Rachel Boisjoli, and the affidavits of Ellen Anastacio, Janice Quinn, Jack Walsh, Robert Nelson Ostrup, Debbie Blake, Mary L. Chappell, Raeleen Wilson, and Robert Lynn Thompson.

No reply evidence was filed and none of the affiants was cross-examined on his/her affidavit.

On November 8, 1999, the opponent requested leave to file an amended statement of opposition. Leave was granted by letter dated December 7, 2000.

Each party filed a written argument and was represented at an oral hearing.

The Opponent's Evidence

Trade-mark registration No. 350,848 is for the certification mark shown below for use in association with "(1)produits laitiers ou à base de produits laitiers, nommément: pain. (2) lait.

(3) produits laitiers ou à base de produits laitiers, nommément: crème, beurre, fromages, yogurt, crème glacée:



This registration issued on February 3, 1989 and is presently owned by the opponent. The defined standard indicated by the use of this certification mark has been described by its owner as follows:

L'emploi de la marque de certification est destiné à indiquer que les marchandises spécifiques énumérées ci-dessus, en liaison avec lesquelles elle est employée, sont conformes à la norme définie qui suit: Tous les produits laitiers doivent être fabriqués au Canada, à partir de lait véritable seul ou combiné avec un autre produit agricole qui ne contient ni huile ni matière grasse autre que celle du lait, selon les standards de transformation, de fabrication et de commercialisation imposés ou reconnus par Les Producteurs Laitiers du Canada conformément aux normes de qualité qui doivent être respectés en vertu de la Loi des Aliments et Drogues et les règlements y afférant.

The mark shown above is hereinafter referred to as the Cow Design mark.

Mr. Garceau, the opponent's Director of Marketing, explains that the opponent is a non-profit corporation primarily constituted in order to help promote Canadian dairy products. The

mark that is the subject of registration No. 350,848 was adopted by the opponent's predecessor in 1980. Around 1986, this mark became a certification mark and its owner began allowing dairy processors to use the mark in connection with dairy products made wholly of Canadian milk or cream. As of both August 16, 1996 and October 8, 1998, there were 75 dairy processors licensed to use the certification mark in various locations across Canada. Mr. Garceau attests, "Dairy products bearing the opponent's COW DESIGN certification mark are presently sold in every Canadian province, and have been offered and sold by the Dairy Farmers' licensees since 1986, without interruption up to now, to the public across Canada."

Mr. Garceau provides the following materials concerning use of the opponent's Cow Design certification mark by licensees:

- copies of the standard license agreements between the opponent and its licensees for use of the certification mark;**
- undated sample packaging showing how the licensees display the certification mark.**

Pursuant to subsection 23(2) of the *Trade-marks Act*, use of the certification mark by the opponent's licensees is deemed to be use thereof by the opponent.

The Cow Design mark is also used by the opponent as a trade-mark, as opposed to as a certification mark, in association with services, namely "the organization of promotional and publicity campaigns with a view to encouraging the consumption of dairy products made with Canadian milk, as well as information services and organizing conferences on nutrition." In that capacity, the opponent displays the mark on materials distributed to dairy processors as

well as in “publicity campaigns to encourage consumption of Canadian dairy products, and the broadcast and dissemination of information on good nutrition.”

Mr. Garceau provides various materials concerning the opponent’s use of its Cow Design mark in association with services, including the following:

- a 1995 and a 1997 pamphlet, which appear to be targeted to dairy processors;
- recipe cards distributed in Loblaw’s grocery stores in 1995, as well as other cheese promotional items from 1995, 1996, and 1997, which appear to be directed to the Canadian consumer;
- promotional materials used in 1995 and 1996 to promote butter to Canadian consumers;
- video cassettes showing numerous television commercials broadcast across Canada from 1979 through 1998 showing the Cow Design mark.

Mr. Garceau states that it is not possible to provide distribution figures for the printed materials but attests that “they were distributed to a large extent – at least by the thousands – across Canada, at the stated times.” In 1998, the opponent spent more than three million dollars for television advertising and estimates that millions of persons saw its television ads, which include the Cow Design mark.

The Applicant’s Evidence

The majority of the applicant’s evidence concerns grocery products purchased in Canada in 1999 that display a cow design.

In addition, the affidavit of Ms. Anastacio provides the results of a search conducted in 1999 of

the Canadian Trade-marks Register for “active trade-marks containing COW in classes 29, 30 and 31.” Ms. Anastacio has provided some information, but not full registration pages, for the 208 marks located by her search.

Registration No. 323,793 is for the mark CAILLETTE & Design, which is shown below:



CAILLETTE & Design has been registered since 1987 by a third party for various dairy products based on use of the mark in Canada since 1951. There is essentially no evidence concerning the ongoing use of such mark in Canada. Ms. Boisjoli provides three cheddar cheese curd wrappings bearing the mark but this evidence is fraught with hearsay problems since Ms. Boisjoli declares that these were received from legal counsel for the company that presently owns the CAILLETTE & Design mark, who “verbally confirmed that these wrappings are still in use today.”

Grounds of Opposition

The grounds of opposition based on section 30 of the Act are dismissed as a result of the opponent having not satisfied its initial evidential burden.

The remainder of the grounds of opposition turns on the issue of whether the applicant's trade-mark is confusing with the opponent's Cow Design mark. The material dates with respect to such grounds are as follows: paragraph 12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.)]; paragraph 16(2)(a) - the date of filing of the application; paragraph 16(3)(a) - the date of filing of the application; non-distinctiveness - the date of filing of the opposition [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.)].

There is a legal burden on the applicant to establish that, on a balance of probabilities, 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 [see *John Labatt Ltd. v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.); *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)]. However, the opponent has an initial burden to prove the allegations of fact supporting its grounds of opposition. With respect to its registrability ground of opposition, the opponent has met its initial burden by furnishing a certified copy of its trade-mark registration. With respect to its entitlement grounds of opposition, the opponent has demonstrated use of its Cow Design mark

prior to August 16, 1996, as well as non-abandonment of its mark as of the date of advertisement of the applicant's application as required by subsections 16(5) and 17(1) of the *Trade-marks Act*. In support of the distinctiveness ground of opposition, the opponent has shown that its trade-mark had become known as of December 24, 1997 [see *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.) at 58].

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 but not limited to those specifically enumerated in subsection 6(5) of the Act. Those factors specifically set out in subsection 6(5) are: the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. The weight to be given to each relevant factor may vary, depending on the circumstances [see *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.)].

Each of the trade-marks has some inherent distinctiveness, even though a depiction of a cow is suggestive of the source of dairy products. The applicant's mark is more inherently distinctive than the opponent's mark as a result of the inclusion of the distinctive word HORIZON.

There is no evidence of the applicant's mark having been used or promoted. On the other hand, as of today's date, the opponent's mark has been used for more than a decade and has been the subject of various promotional campaigns. As of the other material dates, a consideration of the extent to which each mark has become known and the length of time each has been in use also favours the opponent, albeit to a lesser extent.

The wares associated with each mark overlap and the opponent's services focus on wares that are the same or similar to those of the applicant.

It is reasonable to assume that the dairy products associated with each of the party's marks would travel through similar channels of trade to their consumers. Some of the services performed by the opponent occur in stores that sell the wares associated with the applicant's mark.

The parties' marks differ significantly when sounded. In idea suggested, there are some similarities. Their greatest similarity exists with respect to appearance.

As a further surrounding circumstance, I must consider the state of the marketplace. As of the material dates with respect to entitlement and distinctiveness, there is no evidence of other dairy products being sold in Canada in association with the design of a cow. State of the register evidence can be used to make inferences about the state of the marketplace, but only where large numbers of relevant registrations are located [see *Ports International Ltd. v.*

Dunlop Ltd. (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]. While there are large numbers of “cow” marks on the register, the vast majority of these do not resemble the opponent’s mark other than for the reason that they show a cow. There is the registered mark CAILLETTE & Design which bears a significant resemblance to the opponent’s mark but overall there are insufficient marks comprised of leaping, cartoon cows to enable me to make a conclusion that such marks are common in the marketplace.

As I understand it, the applicant wishes me to conclude from the marketplace evidence that cow designs are so common in the dairy marketplace, both as trade-marks and otherwise, that the opponent’s mark should only be granted a very narrow scope of protection. I agree that the opponent ought not to be able to prevent the use of any cow design. However, the applicant’s design mark is fairly unique in showing the full, side view of a leaping cartoon cow, facing left but looking at the viewer, with its tail in the air, superimposed over a circle design. There is insufficient evidence to conclude that the Canadian public is used to distinguishing among marks that look like that. Instead, there is evidence that the opponent’s mark has been extensively used and promoted. Moreover, while in other circumstances, I might have agreed with the applicant’s argument that the word portions of the applicant’s mark serve to adequately distinguish the applicant’s mark from the opponent’s and prevent confusion, I do not reach that conclusion in the present case because the opponent’s mark is a certification mark. As a certification mark, the opponent’s mark is displayed by numerous licensees to

indicate that their wares are of a certain standard. These licensees typically also display their own trade-marks on their packaging with the result that consumers would be used to seeing the opponent's mark in proximity to third party trade-marks. Thus, I am not satisfied on a balance of probabilities that consumers would not misinterpret the applicant's mark as indicating wares that originate from the applicant (because of the HORIZON component), but which have met the standards of the opponent's certification mark (because of the cow design component). As set out earlier, it is to be remembered that we must consider a consumer who has an imperfect recollection of the opponent's mark and not compare the marks side-by-side.

Having considered all of the surrounding circumstances, I conclude that the applicant has not met the legal onus on it to show, on a balance of probabilities, that there was not a reasonable likelihood of confusion between its trade-mark and the opponent's Cow Design mark as of either August 16, 1996 or December 24, 1997. I reach this conclusion primarily as a result of the visual similarities between the two marks and the fact that only the opponent's mark has been used or acquired any reputation in Canada. The grounds of opposition based on entitlement and non-distinctiveness therefore succeed.

Since the opposition has already succeeded based on two grounds of opposition, I see no need to determine the outcome of the registrability ground of opposition. Suffice it to say that the applicant's position is stronger as of today's date to the extent that various other "leaping cow designs" in the marketplace may have diluted the opponent's position.

In view of the above, and having been delegated by the Registrar of Trade-marks by virtue of subsection 63(3) of the *Trade-marks Act*, pursuant to subsection 38(8) of the Act I refuse the application.

DATED AT TORONTO, ONTARIO THIS 6th DAY OF MAY, 2004.

**Jill W. Bradbury
Member
Trade-marks Opposition Board**