

**IN THE MATTER OF AN OPPOSITION
by Alternatives Natural Foods Limited to
application No. 709,263 for the trade-mark
ALTERNA & Design filed by Shaklee Corporation**

On July 17, 1992, the applicant, Shaklee Corporation, filed an application to register the trade-mark ALTERNA & Design (illustrated below) based on proposed use in Canada. The application covers the services of “direct mail and telephone order catalog sales” and the following wares:

organic foods, namely: cakes, cookies, fruit jams, fruit spreads, honey, cheeses, pancake, muffin, bread, cookie and cake mixes, peanut butter, almond butter, applesauce, coffee, flavoured coffee, canned and packaged baby food, corn chips, potato chips, rice cakes, wild rice, oat flakes, cereal, flour, tomato sauce, salsa, fruit strips and spices; seed and container starter kits; clothing, namely: pantyhose, T-shirts and sweatshirts; bird feeders and bird houses; pet foods.

The application was advertised for opposition purposes on December 22, 1993.



The opponent, Alternatives Natural Foods Limited, filed a statement of opposition on May 4, 1994, a copy of which was forwarded to the applicant on June 2, 1994. The first ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Trade-marks Act because it is confusing with the opponent’s trade-mark ALTERNATIVES registered under No. 261,288 for the following services:

(1) operation of a natural food market and bakery (2) operation of a deli

and for the following wares:

(1) cereal grains, cookies, nuts, dried fruits, yogurt and ice cream (2) baked goods, namely muffins, buns, rolls, bread, croissants, squares, cakes, tarts, flans, flours, pancake mix, seeds, dried beans, raisins, currants, carob chips, oils, honey, molasses, condiments, herbal teas, coffee substitutes, cheese, hummus, cream cheese, juices, herbs, spices, nut butters, tahini, bran, baking, powder, baking soda, yeast, sugar, salt, corn starch, fruits and nut mixes, granolas, cereals, muffin

and cookie mixes, vitamins, mineral supplements, herbal tonics, soups, dry soup mix, frozen and fresh entrées, sugar, pasta (fresh and dried), sauces, soy protein powders, seeds, teas, coffee, natural soaps, eggs, extracts, namely vanilla extract, almond extract, orange extract, and lemon extract, meats, fish, seafood, pork, poultry, dairy substitutes, namely soy cheeses and tofu, pizza, prepared salads, coleslaw, olives, pates, vegetable mousses, corn chips, popping corns, pretzels, rice cakes, rice, corn meal, millet, bulgar, couscous, lentils, rolled oats, coconut, containers for vitamins, canvas shopping bags (3) laundry products, namely detergent, laundry soap, and washing soda.

The second ground of opposition is that the applicant is not the person entitled to registration pursuant to Section 16(3) of the Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the trade-mark ALTERNATIVES previously used in Canada by the opponent in association with the wares and services noted above. The third ground is also one of prior entitlement based on the opponent's prior use of its trade-name Alternatives Natural Foods Limited since April 1978 with a natural food market, bakery and deli. The fourth ground of opposition is that the applied for trade-mark is not distinctive because it is confusing with the opponent's previously used trade-mark and trade-name.

The applicant filed and served a counter statement. As its evidence, the opponent submitted an affidavit of one of its co-owners, Lew King. As its evidence, the applicant submitted the affidavits of Herbert McPhail, Linda Barichello, Fiona Hill-Aboud, Kohji Suzuki and Victor Prendergast. Both parties filed a written argument and an oral hearing was conducted at which only the applicant was represented.

As for the first ground of opposition, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the applicant's trade-mark ALTERNA & Design is inherently distinctive since it has no suggestive or descriptive connotation associated with the applied for wares and services. The Prendergast affidavit evidences sales of ALTERNA & Design products throughout Canada for the period 1992 to 1996 totalling in excess of \$900,000. Thus, I can conclude that the applicant's mark has become known to at least some extent in Canada.

The opponent's mark ALTERNATIVES when used with the registered wares and services is suggestive of a natural food store and the related products sold through that store since it suggests that the wares and services constitute an alternative to standard grocery store wares and services. Thus, the opponent's mark is not inherently strong. Although Mr. King, in his affidavit, did not indicate the extent to which the mark ALTERNATIVES has been used in association with any particular product, he did state that there have been sales in excess of \$20 million through his company's sole outlet in Oakville, Ontario for the period 1990 to 1995. Since that store prominently features the opponent's mark, I can conclude that it has become well known but only in Oakville and the surrounding area.

As for Section 6(5)(b) of the Act, the opponent failed to clearly evidence use of its registered mark prior to 1990. Thus, the length of time the marks have been in use is not a material circumstance in the present case.

As for the wares, services and trades of the parties, it is the applicant's statement of wares and services and the opponent's statement of wares and services in registration No. 261,288 that govern: see Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.), Henkel Kommanditgesellschaft v. Super Dragon (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) and Miss Universe, Inc. v. Dale Bohna (1994), 58 C.P.R.(3d) 381 at 390-392 (F.C.A.). However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful: see the decision in McDonald's Corporation v. Coffee Hut Stores Ltd. (1996), 68 C.P.R.(3d) 168 at 169 (F.C.A.).

Although there is a superficial similarity between the food items listed in the statements of wares of both parties, the trades of the parties differ. The applicant sells its wares through catalog orders placed by mail and telephone and its statement of wares contains that restriction. A fair reading of the opponent's statements of wares and services indicates that its food products are only sold through its retail outlet which is a natural food market, bakery and deli. A review of the King affidavit confirms that such is the case. The remaining items in the applicant's statement of wares differ from the opponent's registered wares. The services of the parties also differ.

As for Section 6(5)(e) of the Act, I consider there to be only a minor degree of visual and phonetic resemblance between the marks at issue as a matter of first impression. The opponent has noted that the word component of the applicant's mark (i.e. - ALTERNA) is identical to the first seven letters of the registered mark ALTERNATIVES. However, that observation arises from a detailed analysis of the marks and not as a matter of first impression. ALTERNA is a coined word with no readily apparent meaning. ALTERNATIVES, on the other hand, is a common English word. It is unlikely that consumers would notice any immediate similarity between those two marks. The ideas suggested by the two marks are different.

As an additional surrounding circumstance, the applicant has relied on the state of the register evidence in the McPhail affidavit which purports to evidence a number of marks in the food industry which include the prefix ALTER. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see the opposition decision in Ports International Ltd. v. Dunlop Ltd. (1992), 41 C.P.R.(3d) 432 and the decision in Del Monte Corporation v. Welch Foods Inc. (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). Also of note is the decision in Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd. (1992), 43 C.P.R.(3d) 349 (F.C.A.) which is support for the proposition that inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

In the present case, the McPhail affidavit evidences, at most, five third party marks which include the word ALTERNATIVE or something similar for food products owned by four different owners. The mere existence on the trade-marks register of five such marks is insufficient evidence to allow me to infer that some of those marks are in active widespread use thereby leading to the conclusion that the word ALTERNATIVE or the like is in common use for foodstuffs. Thus, the applicant's state of the register evidence is irrelevant.

The opponent submitted that an additional surrounding circumstance is the evidence of instances of actual confusion as set out in paragraph 16 of the King affidavit which reads as follows:

16. We have experienced instances of confusion with the Alterna products. On a number of occasions customers have requested that we carry more of the Alterna products in the store. In addition on one occasion a supplier shipped us Alterna products by mistake.

As submitted by the applicant, Mr. King's statements are vague and imprecise. He did not provide details or dates of the alleged instances of confusion. Furthermore, there is no indication that the customers in question were not fully aware that the source of ALTERNA products was other than the opponent. Thus, I have given Mr. King's statements little weight.

On the other hand, the applicant has provided some evidence suggesting that there have been no instances of actual confusion between the marks at issue. Mr. Prendergast, the President of the applicant's exclusive Canadian licensee, states that he is unaware of any instances of actual confusion. More importantly, two independent distributors of Mr. Prendergast's operating in the same geographical area as the opponent have stated that none of their customers expressed any confusion with the opponent's trade-mark or trade-name (see the Barichello and Hill-Aboud affidavits). On balance, I find that there is little, if any, evidence of instances of actual confusion between the two marks.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the differences between the trades and marks of the parties and the contemporaneous use of the two marks without any clear evidence of incidents of actual confusion, I find that the applicant has satisfied the legal burden on it to show that its trade-mark ALTERNA &

Design is not confusing with the registered mark ALTERNATIVES. The first ground of opposition is therefore unsuccessful.

As for the second ground of opposition, the opponent failed to evidence use of its trade mark ALTERNATIVES for any food products prior to the applicant's filing date. Thus, the second ground is unsuccessful insofar as the opponent has relied on prior use of its mark for wares. Although the King affidavit is not as clear as one might like, I am prepared to conclude that it evidences use of the opponent's mark for services since at least 1990. The remaining aspect of the second ground therefore remains to be decided on the issue of confusion as of the applicant's filing date in accordance with the wording of Section 16(3) of the Act.

My previous observations respecting the inherent distinctiveness of the two marks are equally applicable here. As of the material time, the applicant's mark was, of course, not known in Canada. Since the opponent did not provide an annual breakdown of its sales between 1990 and 1995, I can only attribute a minor reputation to its mark as of the applicant's filing date and then only in the Oakville area.

My previous observations respecting the remaining circumstances noted in Section 6(5) of the Act are also applicable respecting the second ground. The services and trades of the parties differ and the marks do not bear a high degree of similarity. Again, the state of the register evidence is of no use and the evidence of instances of actual confusion is vague and ambiguous, at best.

As before, the test for confusion is to be applied as a matter of first impression and imperfect recollection. Given the differences in the services, trades and marks of the parties, I find that the applicant has satisfied the burden on it to show no reasonable likelihood of confusion. Thus, the second aspect of the second ground of opposition is also unsuccessful.

The third ground of opposition is also one of prior entitlement based on prior use of the opponent's trade-name Alternatives Natural Foods Limited. Although the King affidavit evidences prior use of such trade-names as Alternatives Natural Food Market and Alternatives

Market, it does not evidence prior use of the trade-name Alternatives Natural Foods Limited. Thus, the third ground is also unsuccessful.

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

In the present case, the fourth ground turns essentially on the issue of confusion between the applicant's mark ALTERNA & Design and the opponent's mark ALTERNATIVES. In view of my conclusions respecting the first two grounds of opposition, I also find that the marks at issue are not confusing as of the filing of the present opposition. Thus, the fourth ground is also unsuccessful.

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

DATED AT HULL, QUEBEC, THIS 6th DAY OF FEBRUARY, 1998.

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