

IN THE MATTER OF AN OPPOSITION
by Atlantic Queen Sea Foods Limited
to application No. 517,367 for the
trade-mark LEAN CUISINE CLASSICS
filed by Frisco-Findus S.A.

On February 22, 1984, the applicant, Frisco-Findus S.A., filed an application to register the trade-mark LEAN CUISINE CLASSICS based on proposed use in Canada in association with the following wares:

frozen prepared foods, namely, meal main courses;
frozen prepared entrees having meat, fish or
poultry base.

The application was amended to include a disclaimer to the word CUISINE and was subsequently advertised for opposition purposes on December 9, 1987.

The opponent, Atlantic Queen Sea Foods Limited, filed a statement of opposition on January 11, 1988 and a revised statement on January 19, 1988. A copy of the revised statement was forwarded to the applicant on February 24, 1988. On January 29, 1990, the opponent was granted leave pursuant to Rule 42 of the Trade-marks Regulations to amend its statement of opposition.

The first ground of opposition is that the applicant's application does not comply with the provisions of Section 30(e) of the Trade-marks Act because the applicant did not intend to use the applied for trade-mark itself. The second ground is that the application does not comply with the provisions of Section 30(i) of the Act because the applicant could not have been satisfied that it was entitled to use the applied for trade-mark in view of the opponent's registered trade-mark CLASSIC.

The third ground of opposition is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with the opponent's trade-mark CLASSIC registered under No. 235,569 for "fresh, frozen, smoked, canned fish and crustaceans." The fourth ground 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 CLASSIC previously used and made known in Canada by the opponent.

The fifth ground of opposition is that the applied for trade-mark is not distinctive. In support of this ground, the opponent alleged that the applied for mark was confusing with the opponent's mark CLASSIC and that it was confusing with the trade-mark LEAN CUISINE used by others. The opponent also alleged that the applicant did not intend to use the applied for trade-mark itself.

The applicant filed and served a counter statement. As its evidence, the opponent filed the affidavits of Jean Labelle and Claude Lepine. As its evidence, the applicant filed the affidavit of Edward A. Marra and certified copies of seven trade-mark registrations. Mr. Marra was cross-examined on his affidavit and the transcript of that cross-examination and the replies given to undertakings form part of the record of this opposition.

As evidence in reply, the opponent filed the affidavit of Ann DeGiovanni. The

applicant was subsequently granted leave pursuant to Rule 46(1) of the Trade-marks Regulations to file a second affidavit of Edward A. Marra. Both parties filed a written argument and an oral hearing was conducted at which both parties were represented.

The opponent's first ground of opposition is based on the provisions of Section 30(e) of the Act. Section 30(e) reads as follows:

30. An applicant for the registration of a trade-mark shall file with the Registrar an application containing.....

(e) in the case of a proposed trade-mark, where the application is not accompanied by an application for registration of a person as a registered user, a statement that the applicant intends to use the trade-mark in Canada....

The material time for assessing the applicant's compliance with Section 30(e) is the filing date of its application. The onus or legal burden is on the applicant to show its compliance with that subsection: see the opposition decisions in Joseph Seagram & Sons v. Seagram Real Estate (1984), 3 C.P.R. (3d) 325 at 329-330 and Canadian National Railway Co. v. Schwauss (1991), 35 C.P.R. (3d) 90 at 94 and the decision in John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R. (3d) 293 (F.C.T.D.). There is, however, an evidential burden on the opponent respecting its allegations of fact in support of that ground. That burden is lighter respecting the issue of non-compliance with Section 30(e) of the Act: see page 95 of the Schwauss decision and the opposition decision in Green Spot Co. v. J.B. Food Industries (1986), 13 C.P.R. (3d) 206 at 210-211.

The applicant's application formally complies with Section 30(e) of the Act since the required statement appears in the application. The issue then becomes whether or not the applicant has substantially complied with Section 30(e) - i.e. - is the applicant's statement that it intended to use the applied for trade-mark true?

Mr. Marra, in his first affidavit, identifies himself as the Group Vice President, Frozen Food Division of Nestle Enterprises Limited. Appended as Exhibit 1 to his affidavit is a certified copy of registration No. 275,586 for the trade-mark LEAN CUISINE covering the same wares as the present application. It shows that, since January 7, 1983, Nestle Enterprises Limited has been registered as a registered user of that trade-mark. It also shows that the trade-mark LEAN CUISINE was assigned to Frisco-Findus S.A. on January 30, 1986 and that the assignment was registered on April 16, 1987.

In his first affidavit, Mr. Marra attests to significant sales of LEAN CUISINE products in Canada by Nestle Enterprises Limited. The representative Canadian packaging appended as Exhibit 2 to his affidavit identifies that company as a registered user. On cross-examination, Mr. Marra stated that Frisco-Findus S.A. did not market LEAN CUISINE products itself in Canada (see page 21 of the Marra transcript) and that there had not yet been any use in Canada of the proposed mark LEAN CUISINE CLASSICS (see page 13 of the Marra transcript). He also confirmed that Frisco-Findus S.A. is "...a holding company of several trademarks for food" (see page 23 of the Marra transcript).

Given the history of use of the trade-mark LEAN CUISINE in Canada, the applicant's statement in its application that it intended to use the trade-mark LEAN CUISINE CLASSICS

seems somewhat anomalous. Further doubt was cast on the applicant's veracity by the filing of a registered user application for the trade-mark LEAN CUISINE CLASSICS in favor of Nestle Enterprises Limited on May 4, 1984, approximately ten weeks after the applicant's filing date. This suggests that the applicant's true intention on February 22, 1984 was to have its registered user Nestle Enterprises Limited be the exclusive user of the trade-mark LEAN CUISINE CLASSICS in Canada. The opponent submitted that the present situation was similar to that in Club de Football de Montreal v. DGGM Bitton Holdings Inc. (1987), 14 C.P.R.(3d) 547 (T.M.O.B.).

In view of the above, I find that the opponent has met its evidential burden. It was therefore incumbent on the applicant to prove that, as of February 22, 1984, it intended to use the applied for trade-mark itself. It would have been an easy matter for the applicant to file evidence confirming that, unlike the situation with its trade-mark LEAN CUISINE, it intended to use the trade-mark LEAN CUISINE CLASSICS itself. However, the applicant chose not to specifically address this matter and I am left in a state of doubt as to the applicant's compliance with Section 30(e). Since the onus is on the applicant, I must resolve that doubt against it. The first ground of opposition is therefore successful.

At the oral hearing, the agent for the applicant submitted that the foregoing represented an "...inflexible or 'black-letter' approach..." of the type disapproved of by Mr. Justice Muldoon in Imperial Developments Ltd. v. Imperial Oil Ltd. (1984), 79 C.P.R.(2d) 12 at 26 (F.C.T.D.). She pointed out that, unlike the situation in the DGGM Bitton case referred to above, there was only a relatively short delay between the filing of the trade-mark application and the filing of the registered user application. Furthermore, she noted that the copy of the registered user application appended as Exhibit B to the DeGiovanni affidavit shows that the applicant executed that application in Switzerland on March 28, 1984, a little over one month after the filing date of the trade-mark application. The proposed registered user, Nestle Enterprises Limited, then executed the registered user application in Ontario on April 19, 1984 and it was subsequently filed with the Registrar on May 4, 1984.

In view of the above, the agent for the applicant contended that, even if the applicant did not technically comply with the provisions of Section 30(e) of the Act as of the filing date of the application, it acted as quickly as possible to rectify the matter. She submitted that, as in the Imperial Developments case, the applicant should not be penalized in such a situation. However, the Imperial Developments case dealt with a different situation, namely one where pending registered users had commenced using the applied for trade-mark prior to approval as registered users by the Registrar. In that case, Mr. Justice Muldoon essentially held that the applicant had done everything it could to comply with the provisions of the Trade-marks Act. He further held that the use of the trade-mark by the proposed registered users (who were all related companies) should not be held against the applicant, especially where the delay in obtaining approval for the registered users was not the applicant's fault. At page 26 of the decision, Mr. Justice Muldoon states as follows:

In this sort of situation, an inflexible or "black-letter" approach to the public interest is not easy to justify. In this case the

evidence points very clearly to the proposed registered users all being associated companies, identified and virtually sanctified and ratified in their use of the mark by the (applicant) appellant. There is no scintilla of suggestion that any of the users is pulling away from its sponsor, committing any unauthorized use, or conducting any sort of activity by which the public would be confounded by its use of the mark. These are related companies and all requisite applications and disclosures were made as of the date of filing of the application, on July 4, 1974.

To attack such uses upon argument after all statements were filed puts the (applicant) appellant in a most prejudicial position. Indeed if that attack were to prevail after such a protracted proceeding it could indeed create a situation in which the public would be greatly confused, contrary to their interest.

There are, of course, instances in which the exercise of discretion in being satisfied about what is contrary to the public interest is so clear that the exercise of discretion is virtually compelled. Where an applicant seeks to take the benefit of his own dishonesty, or where the applicant seeks to make his own negligence or other wrongdoing the basis for compelling some benefit to be conferred by an innocent party...the discretionary course is predictable. It is practically always contrary to the public interest to permit such applicants to succeed in their invocation of the discretionary powers of a court or other tribunal.

As recognized by the agent for the applicant, the present situation differs from that in the Imperial Developments case. This is not a case of an applicant authorizing his proposed registered users to commence use of his proposed mark prior to approval of the registered users by the Registrar. The present case is, on its face, one where the applicant made a false declaration as to its intention to use the trade-mark LEAN CUISINE CLASSICS and then later sought to rectify the matter by filing a registered user application in favor of the true intended user of the mark. This is not merely a matter of a so-called technicality which has been corrected. If the applicant's stated intention was false (which, on the evidence, it appears to have been), the applicant has unfairly benefitted from the priority over other traders that it gained from its February 22, 1984 filing date. As recognized by Mr. Justice Muldoon, it would be contrary to the public interest to allow an applicant to benefit from its own wrongdoing, even if that wrongdoing may have been inadvertent.

There seemed to be a suggestion by the applicant's agent that the course of action adopted by the applicant was reasonable since there would inevitably be some delay in executing a registered user application and the applicant should not lose any priority rights as a consequence of that delay. Even if such a delay was inevitable, however, I do not consider that it justifies an applicant making a false statement in its application. In any event, it would appear that no such delay was inevitable. In the case of the present trade-mark application, it was signed on behalf of the applicant by its registered agent. On my understanding of the practice of the Trade-marks Office, the applicant's agent could also have signed a registered user application on behalf of both the applicant and its proposed registered user. (At the time of the filing of the present application, the practice may have been restricted to cases where the applicant and the registered user were related companies. However, the present applicant and its registered user are related companies as confirmed by the second Marra affidavit.)

Thus, there would appear to have been no reason why a registered user application in favor of Nestle Enterprises Limited could not have been filed on February 22, 1984 when the present trade-mark application was filed. If the applicant's intention was to use its proposed trade-mark through its licensee, the applicant should have adopted this course of action rather than filing a trade-mark application containing a false statement. If, on the other hand, the applicant's intention was to use the trade-mark itself then, as discussed, it was obliged in the circumstances of the present case to evidence that intention.

As for the second ground of opposition, the mere existence of the opponent's registration for its trade-mark CLASSIC does not provide adequate support for a ground of non-compliance with Section 30(i) of the Act. Thus, the second ground is unsuccessful.

As for the third 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.

The word "classic" has a laudatory connotation when used with any wares, namely that the wares are of high quality and serve as a standard of excellence: see John Labatt Ltd. v. T.G. Bright & Co. (1988), 22 C.P.R. (3d) 466 at 467 (T.M.O.B.). Thus, the opponent's registered mark CLASSIC is inherently weak. The opponent has evidenced only export sales of its CLASSIC products and some minor advertising in Canadian trade journals. Thus, I am unable to ascribe any reputation of note for the opponent's mark in Canada.

The applicant's trade-mark LEAN CUISINE CLASSICS is somewhat suggestive. When used with such wares as frozen prepared entrees, it suggests a dinner of high quality but having a reduced calorie level. Thus, the applicant's mark is not inherently strong although it is not as inherently weak as the opponent's mark. Since there is no evidence of use of the applicant's mark, I must conclude that it has not become known at all in Canada.

Given the absence of evidence of use of the opponent's mark in Canada, the length of time the marks have been in use is not a material circumstance in the present case. The wares of the parties differ insofar as the applicant's wares consist essentially of frozen prepared dinners and the opponent's wares consist of seafood. However, to the extent that the wares at issue are food items, there is some connection between them. There is a potential overlap in the respective trades of the parties insofar as the opponent's wares include frozen fish and crustaceans and the applicant's wares are frozen prepared foods. Presumably, such wares could be sold in the same section of grocery stores.

There is some resemblance between the marks of the parties since the word CLASSICS in the applicant's mark is virtually identical to the opponent's entire mark CLASSIC. However, the word CLASSICS is the last and the least distinctive component in the applicant's mark.

The applicant sought to rely on seven trade-mark registrations as some evidence pointing to the common adoption by other traders of the word CLASSIC as a component of trade-marks for food products similar to those at issue. However, some of those marks do not incorporate the word CLASSIC and others are registered for somewhat unrelated wares. In summary, the mere existence of one or two relevant marks on the register does nothing to advance the applicant's case.

The applicant relied on a further surrounding circumstance, namely the widespread use and advertising of its trade-mark LEAN CUISINE for the same wares as set out in its application. Due to the extensive activity associated with the mark LEAN CUISINE, I am able to conclude that it has become very well known throughout Canada. Thus, consumers viewing the applicant's new mark LEAN CUISINE CLASSICS are almost certain to associate it with the well known mark LEAN CUISINE rather than to mistake it for the opponent's unknown mark CLASSIC.

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 absence of any significant reputation for the opponent's mark and in view of the fame associated with the applicant's mark LEAN CUISINE, I find that the applicant has satisfied the onus on it to show that its mark LEAN CUISINE CLASSICS is not confusing with the opponent's registered mark CLASSIC. Thus, the third ground is unsuccessful.

In view of the above, it is unnecessary to consider the remaining grounds of opposition and I refuse the applicant's application.

DATED AT HULL, QUEBEC, THIS 30th DAY OF JUNE 1992.

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