

**IN THE MATTER OF AN OPPOSITION
by Heinz Italia S.R.L. to application No.
1180381 for the trade-mark FARLEY
HILL FARM filed by Furlani's Food
Corporation**

On June 3, 2003, Furlani's Food Corporation (the "Applicant") filed an application to register the trade-mark FARLEY HILL FARM (the "Mark") based upon proposed use of the Mark in Canada. The statement of wares currently reads:

Garlic spread, bread sticks, garlic bread, garlic puree, chopped garlic, seafood sauces, pasta sauces, breads, cakes and sweet breads, each not intended for infants or children.

The Applicant disclaims the right to the exclusive use of the word FARLEY apart from the trade-mark as a whole. The application was advertised for opposition purposes in the Trade-marks Journal of April 21, 2004.

On September 21, 2004, Heinz Italia S.R.L. (the "Opponent") filed a statement of opposition against the application. The Applicant filed and served a counter statement, in which it denied the Opponent's allegations.

The Opponent's evidence consists of the affidavit of Donald Holdsworth. The Applicant's evidence consists of the affidavit of Greg Cleary. Mr. Holdsworth was cross-examined on his affidavit and his cross-examination transcript and replies to undertakings are of record.

Both the Applicant and the Opponent filed a written argument. An oral hearing was conducted at which both parties were ably represented.

The grounds of opposition may be summarized as follows:

1. The application does not comply with s. 30(i) of the *Trade-Marks Act*, R.S.C. 1985, c. T-13 ("the Act"), in that the Applicant could not have been satisfied that it was entitled to use the Mark in association with the applied for wares since the Applicant was or should have been aware of the Opponent's confusingly similar trade-marks FARLEY and FARLEY'S previously used in Canada by the Opponent.

2. The Applicant's mark is not registrable under s.12(1)(d) because it is confusing with the Opponent's registered mark FARLEY'S, Registration No. 156,834.
3. The Applicant is not the person entitled to registration pursuant to s.16(3)(a) of the Act because at the date of filing of the application, the Mark was confusing with the Opponent's marks FARLEY and FARLEY'S previously used and made known in Canada by the Opponent (and the Opponent's predecessors in title and licensee H.J. Heinz Company of Canada Ltd.) in association with biscuits and rusks.
4. The Applicant's mark is not distinctive because it does not actually distinguish the wares in association with which it is proposed to be used from the wares of others, namely the Opponent's wares sold in association with the Opponent's mark.

Material Dates

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

- s. 30(i) - 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.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. 16(3)(a) - the filing date of the application (see s. 16(3));
- 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.T.D.)).

Onus

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.)).

The Opponent has not met its initial burden with respect to the s. 12(1)(d) ground of opposition because its registration for the trade-mark FARLEY'S was expunged July 8, 2005. The Opponent therefore withdrew this ground at the oral hearing.

In order to meet its initial burden under s.16, the Opponent is required to evidence that it used or made known its marks in Canada prior to the Applicant's filing date and had not abandoned them as of the advertisement of the Applicant's application.

The Applicant submitted that the Opponent did not evidence use of its mark prior to June 3, 2003. Use of a trade-mark in association with wares is defined in s. 4(1) of the Act as follows:

4.1 A trade-mark is deemed to be used in association with wares if, at the time of transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the package in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

Considering the Opponent's allegation relating to its alleged prior making known of its trade-marks in Canada, Section 5 of the Act provides as follows:

5. A trade-mark is deemed to be made known in Canada by a person only if it is used by that person in a country of the Union, other than Canada, in association with wares or services, and

- (a) the wares are distributed in association with it in Canada, or
- (b) the wares or services are advertised in association with it in
 - (i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the wares or services, or
 - (ii) radio broadcasts ordinarily received in Canada by potential dealers in or users of the wares or services,

and it has become well known in Canada by reason of the distribution or advertising.

Mr. Holdsworth, Director of Infant Feeding of H.J. Heinz Company of Canada Ltd. ("Heinz Canada"), provides the following information concerning the Opponent's FARLEY'S trade-mark:

- The Opponent, Heinz Italia S.R.L. licenses Heinz U.K. and Heinz Canada to use the trade-mark FARLEY'S on biscuits produced by Heinz UK for Heinz Canada. Attached as Exhibit DH-3 to his cross-examination transcript is a copy of the license agreement between the Opponent and H.J. Heinz Company of Canada Ltd., dated Sept. 20, 2004. Attached as Exhibit DH-4 is a copy of the license agreement between Euromarket, S.r.L. (the Opponent's predecessor-in-title) and Heinz UK, dated April 17, 1995. I am satisfied from the contents of these agreements that the Opponent had the requisite control over the trade-mark pursuant to s.50 of the Act.
- The mark FARLEY'S has been used in Canada for all of the 7 years that he has worked for Heinz Canada and he believes it to have been used in Canada by Heinz Canada for much longer.
- Based on Registration No. 156,834 attached as Exhibit A to his affidavit, the Opponent's mark has been used since March 1949. He understands that the mark may have been expunged for non-use but explains that this is an error as the mark has been used continuously during the time he has been employed by Heinz Canada.
- Attached as Exhibit B to his affidavit is what he states is a photocopy of packages of FARLEY'S banana and regular flavoured biscuits. On cross-examination, however, he admits that these were electronic files from Heinz Packaging Company Limited, the company that designs the packaging. The alleged copies attached as Exhibit B, which the Applicant also notes are dated September 30, 2003 and October 15, 2003 (which dates are subsequent to the relevant date of June 3, 2003), are therefore not photocopies of a sample that the product was actually sold in.
- For each of these years between 2002 through to 2005, Heinz Canada had net sales of more than \$1.4 million of FARLEY'S brand biscuits.

Based on the foregoing, I agree with the Applicant that the Opponent has not met its burden under s.16(3) of the Act. In this regard, the Opponent has not shown how the mark is used in association with the wares at the time of transfer in accordance with s. 4(1) or that its mark was made known in Canada in accordance with s.5. Further, even if the alleged copies were representative of the packaging the Opponent's biscuits were sold in, they were both dated after the relevant date. Finally, I note that the certified copy of the Opponent's registration does not support the Opponent's evidential burden with respect to this ground of opposition (see *Roos, Inc. v. Edi-SRL* (2002), 23 C.P.R. (4th) 265 (T.M.O.B.)).

With respect to the Opponent's burden under s. 38(2)(d), according to Mr. Justice Noël in *Bojangles' International, LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. 4th 427, it is necessary that the evidence clearly indicate that the Opponent's mark is known to some extent at least, i.e. that the reputation of the mark in Canada is substantial, sufficient or significant as of the filing date of the statement of opposition (i.e. September 21, 2004). From the evidence furnished, I am not satisfied that the Opponent's mark had a reputation in Canada that was either substantial, significant or sufficient as of September 21, 2004. Even assuming the Opponent has met its initial burden, the applied for mark would not likely cause confusion with the Opponent's mark for the following reasons.

Section 38(2)(d) Ground of Opposition

The Opponent conceded at the oral hearing that no use has been shown of the mark FARLEY alone, or of the mark FARLEY'S in association with rusks. The determination of whether the Mark actually distinguishes the wares with which it is proposed to be used from the wares of the Opponent therefore turns on the issue of the likelihood of confusion between the Mark and the Opponent's mark FARLEY'S for biscuits.

the test for confusion

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 or trade-names 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 or trade-names in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight.

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

With respect to the first criteria, it is well established that surnames and letters are very weak in terms of distinctiveness (see *Murjani International Ltd. v. Universal Impex Co. Ltd.* (1986), 12 C.P.R. (3d) 481 (F.C.T.D.)). Since the word FARLEY'S is a surname, the Opponent's mark is not inherently strong. I agree with the Applicant that, as such, it is entitled to a lesser scope of protection than a unique or invented word. While the Applicant's mark is not inherently strong either, I consider that it is slightly more inherently distinctive than the Opponent's mark.

The strength of a trade-mark may be increased, however, by means of it becoming known through promotion or use. The Opponent submits that the FARLEY'S brand biscuits have been sold in Canada for more than 50 years and that the mark has acquired distinctiveness in Canada and throughout the world through its many years of use in connection with biscuits. The evidence, however, suggests otherwise.

In this regard, while Mr. Holdsworth deposes that FARLEY'S biscuits are well known in Canada, a copy of pages from the website www.heinzbaby.com website shown to Mr. Holdsworth on cross-examination by the Applicant's agent states as follows under the heading Infant Feeding: "Most babies in Italy, Canada, Venezuela and Australia enjoy Heinz brands. And, in the U.K. and India, Heinz is known for its Farley's and Farex brands".

The Opponent's agent objected to this evidence on the basis that Mr. Holdsworth could not identify many of the pages of the website shown to him by the Applicant's agent. However, when asked if he would undertake to advise whether these documents presented by the

Applicant's agent were in fact pages from the Heinz company websites, the Opponent's agent replied that he would not on the basis that the Opponent did not want to put evidence in on behalf of the Applicant.

In *McDonald's Corp. v. Silicorp Ltd./Ltee* (1987), 14 C.P.R. (3d) 405 (F.C.T.D.), it was stated that cross-examination should be limited to those matters of which the affiant can be expected to have knowledge relating to the principal issues in the proceedings upon which his affidavit touches. In view that the website pages respond to Mr. Holdsworth's statement in his affidavit that the Opponent's biscuits are well known in Canada and Mr. Holdsworth agreed on cross-examination that he was familiar with at least the first page of the website, I am satisfied that the website pages are admissible. I would like to add that I think it is also reasonable to expect Mr. Holdsworth to be generally familiar with the website given his position with the company.

Even if I were not to have regard to the pages from the www.heinzbaby.com website, from the evidence furnished, I would only be able to conclude that the Opponent's mark had become known to a limited extent in Canada, if at all. In this regard, although Mr. Holdsworth stated on cross-examination that his company advertised the FARLEY'S biscuit through grocery flyers and drugstore flyers, the Opponent did not provide any evidence of such advertising nor any evidence of advertising or marketing expenses (see q.74). Further, although Mr. Holdsworth deposes that the Mark has been in continuous use since at least March, 1949, based on the Registration No. 156,834 attached as Exhibit A to his affidavit, although this registration was in good standing at the relevant date, it is not sufficient by itself to show anything except de minimus use of the Opponent's mark at the date of registration (*Entre Computers Centers, Inc. v. Global Upholstery Co.* (1991), 40 C.P.R. (3d) 427 (T.M.O.B.)).

As for the Applicant's Mark, Mr. Clearly explained that the Applicant commenced sales in Canada of bread sticks, garlic bread, garlic toast and breads under the trade-mark FARLEY HILL FARM subsequent to June 3, 2003. At paragraph 5 of his affidavit, he sets out a summary of the Applicant's dollar sales for the years 2003, 2004, 2005, and up to August of 2006. The sales figures for each of these years were, respectively, \$77,675; \$282,416; \$459,807 and \$550,021. Attached as Exhibit B to his affidavit are representative samples of labels featuring

use of the trade-mark FARLEY HILL FARM in Canada in association with the goods as indicated. Mr. Clearly also explains that the Applicant has expended approximately \$10,000 in 2004, \$50,000 in 2005, and \$40,300 in 2006 on advertising in print media. I am therefore able to conclude that the Applicant's mark has become known to some extent in Canada.

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

As noted above, the Opponent has not shown use of its mark in accordance with s. 4(1). I therefore consider that this factor favours the Applicant.

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

The parties' wares are related to the extent that they both fall under the broad category of food products. The specific wares of the parties are significantly different, however, as the Applicant's wares include, *inter alia*, garlic bread, bread sticks, pasta sauces, breads, cakes and sweet breads which are specifically defined in the application as not intended for infants or children while the Opponent's biscuits appear to be specifically designed for infants. In this regard, the Opponent's registration shows that the Opponent's mark was originally registered for food for infants, namely biscuits, etc. Further, the packaging attached to Mr. Holdsworth's affidavit describes the Opponent's biscuit as being instant cereal in biscuit form, and provides instructions how to feed it to a baby as a first solid food. I agree with the Applicant that the Opponent's wares are not "bakery products" as the Opponent has submitted.

The Opponent submits that regardless of whether the product is designed for infants, I should take judicial notice that the product is purchased by adults and that adults would also buy the Applicant's product. I am prepared to take judicial notice of this fact.

The following decisions, which will be discussed below, are particularly relevant to this analysis in the present case: *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R. (3d) 483 (F.C.T.D.), *aff'd* 49 C.P.R. (3d) 217 (F.C.A.) ("*Clorox*"); *Loblaws Inc. v. Tritap Food Broker, a division of 676166 Ontario Limited* (1999), 3 C.P.R. (4th) 108 (T.M.O.B.) (hereinafter *Loblaws*) and *Van Melle Nederland B.V. v. Principal Marques Inc.* (1998), 87 C.P.R. (3d) 368 (T.M.O.B.) (hereinafter *Van Melle*).

The *Clorox* decision considered the likelihood of confusion between the mark K.C. MASTERPIECE & Design for barbecue sauce with the registered mark MASTERPIECE for cakes and chocolates. In arriving at its conclusion that the marks were not confusing, the Court made the following comments at p.490:

“First, it is admitted that the mark MASTERPIECE is a common dictionary word which should only be given a narrow measure of protection....

Fourthly, I should observe that in my view, the “narrow protection” doctrine applies equally when dealing with the similarity of wares test. It is quite true that fruit cake and barbecue sauce may be said to belong to the general category of foodstuffs, but the test cannot be applied on a black or white basis. One only needs to look at the thousands of different foods, meats, condiments, confectionaries, 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. Otherwise, in the case of a weak mark like MASTERPIECE, the effect of the test standing alone would be to grant a monopoly over a particular dictionary word, a status which the courts have historically challenged.”

In the *Loblaws* decision, Board Member Martin considered the likelihood of confusion between the marks TASTEFUL MEMORIES for various snack foods and the registered mark MEMORIES OF for “sauces, cream cheese, meat, jelly, pizza”. In arriving at his conclusion that there was no likelihood of confusion between the marks, Mr. Martin made the following comments at p. 8 of his decision:

“There is no direct overlap in the specific wares at issue. In a general sense, however, the wares of the parties are related since they are all food products. On the other hand, the wares at issue are distinct since the applicant’s wares can be categorized as snack foods and the opponent’s cannot. The opponent sought to characterize such items as pizza and hamburgers as snack foods but, on cross-examination, Mr. Lindsay conceded that they more typically comprise meals. He further conceded that none of the items the opponent sought to characterize as snack foods would appear in the snack food aisle of a grocery store...Thus, although there is an overlap in the trades of the parties since the wares at issue can all be sold through grocery stores, they would not likely be sold in the same sections of such stores.”

In the *Van Melle* decision, Board Member Martin did not find a likelihood of confusion between the proposed mark FRUIT-ELLY for “puddings, parfaits and gelatin desserts” and the registered mark FRUITELLA for “confectionery, viz bonbons, dragees, drops, chewing gum, peppermint toffees, medicated bonbons and dragees and licorice articles, all the stated goods not containing cocoa or chocolate”. In arriving at this conclusion, Board Member Martin made the following comments at p.371:

“Although the wares of both parties qualify as food products, that characterization is very broad and not very useful. Candies differ from prepared dessert items and would likely be marketed in a different fashion and would likely be sold through different areas of a grocery store.”

The present case is similar to those set out above in that the wares of the parties are related because they are food products. However, as noted in the above cases, wares which may be said to belong to the same general class may also be intrinsically different and as such sold in different sections of the same grocery store. I consider such to be the situation in the present case. While there may be some overlap in the parties’ channels of trade since both sell their wares to supermarkets, and although both parties’ products would be purchased by adults, the parties’ wares would likely be sold in different sections in the grocery store. In this regard, Mr. Holdsworth agreed on cross-examination that Heinz Canada’s biscuits for infants are generally sold in the same section of the store as diapers. The Applicant’s wares, on the other hand, would likely be sold in the bread and deli sections of the supermarket.

The Opponent further submits that the fact that the Applicant’s application has been restricted to not being intended for infants or young children is not relevant. I respectfully disagree. I think that the restriction the Applicant has put on its applied for wares is relevant. In this regard, the Registrar must consider the channels of trade which the average consumer would normally consider as being associated with the wares set forth in the Applicant’s application since it is these wares which determine the respective monopoly being claimed by the Applicant in relation to its Mark. Thus, where there is a restriction in the statement of wares set forth in the application, as in the present case, the Registrar can consider the fact that since the Applicant’s

wares are specifically not intended for infants or children, the Applicant could not eventually sell these wares in the sections of the grocery store designated for such items including those of the Opponent.

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

Although the first component of a mark is often considered more important for the purpose of distinction, when the first component is weak, the significance of the first component decreases (see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 (F.C.T.D.); *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.); *Phantom Industries Inc. v. Sara Lee Corp.* (2000), 8 C.P.R. (4th) 109 (T.M.O.B.)). Although the Applicant has incorporated the Opponent's entire mark into its Mark, the Applicant has added words that serve to distinguish its Mark from that of the Opponent. In particular, as for the ideas suggested, I find that the Applicant's mark is suggestive of a place whereas the Opponent's mark suggests that the wares originate from someone with the surname FARLEY'S. Moreover, in sounding, there is not a great degree of resemblance between the marks as the Applicant's mark is a four syllable, three letter word mark while the Opponent's mark is only comprised of one word.

surrounding circumstances

The Opponent submits that the present case can be distinguished from the cases presented by the Applicant because in the present case, there was no state of the register evidence to show that the Opponent's mark contains a common element which is also contained in a number of other marks in use in the same market.

Normally, state of the register evidence is introduced to diminish the inherent distinctiveness of an opponent's mark by showing how common the use of a particular term is in a certain industry. In my view, as I have already held that the Opponent's mark is not inherently distinctive, I do not consider this factor relevant to the facts in the present case.

conclusion re likelihood of confusion

In *Mattel, supra*, Justice Binnie stated the standard to assess confusion as follows:

“When assessing the issue of confusion, the trade-marks at issue must be considered from the point of view of the average hurried consumer having an imperfect recollection of the opponent’s mark who might encounter the trade-mark of the Applicant in association with the Applicant’s wares in the marketplace”

Having considered all of the surrounding circumstances, I find that the Applicant has satisfied its onus to show that, on a balance of probabilities, confusion between the marks is unlikely. This is primarily because of the differences between the parties’ wares, and the low inherent distinctiveness of the Opponent’s mark. Even though the marks are somewhat similar in appearance, the fact that the Opponent’s limited reputation lies primarily in association with biscuits for infants or children, combined with the fact that the Applicant has specifically restricted its wares to not be intended for infants or children, makes it seem unlikely that the typical consumer would think that the Applicant’s bread products, sauces and cakes emanate from the Opponent. The distinctiveness ground is therefore unsuccessful.

Section 30(i) Ground of Opposition

Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant (see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155). As this is not such a case, I am dismissing this ground of opposition.

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I reject

the opposition pursuant to s. 38(8).

DATED AT Gatineau, Quebec, THIS 30th DAY OF December, 2008.

Cindy R. Folz
Member
Trade-marks Opposition Board