

**IN THE MATTER OF AN OPPOSITION by
Diamond Foods, Inc. to application No. 1225975
for the trade-mark EMERALD filed by Barker &
Bishop, Inc.**

On July 30, 2004, Barker & Bishop, Inc. (“the Applicant”) filed an application to register the trade-mark EMERALD (the “Mark”) based upon proposed use of the Mark in Canada. The statement of wares and services currently reads:

Confectionery, namely, candy, chocolates, mints, chocolate covered candy, and chocolate covered nuts; all kinds of edible nuts; bubble gum; chewing gum; snack foods, namely, potato chips, nuts, salted nuts, raw nuts, fruit and nut mixes, extruded corn based and flour based puffs; frozen meat products; frozen vegetables.

Manufacturing, packaging, distributing and selling of confectionery, edible nuts, snack foods, and frozen foods.

The application was advertised for opposition purposes in the Trade-marks Journal of November 16, 2005. On February 8, 2006, Diamond Foods, Inc. (the “Opponent”) filed a statement of opposition against the application. The grounds of opposition are that the Applicant’s application does not conform to the requirements of s. 30(i) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (“the Act”), the Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(a) of the Act, and the Mark is not distinctive. Each of these grounds is based on confusion with the Opponent’s previous use of its EMERALD trade-mark in association with shelled and unshelled nuts and EMERALD OF CALIFORNIA & Design trade-mark in association with processed and unprocessed nuts in Canada since prior to the filing date of the present application.

The Applicant filed and served a counter statement, in which it denied the Opponent’s allegations.

The Opponent’s evidence consists of the affidavits of Ron Fenwick, Raymonde Lalonde, Jim Huntsperger and Gary Ford. The Applicant elected not to file any evidence. No affiants were

cross-examined.

Only the Opponent filed a written argument. An oral hearing was conducted at which only the Opponent was represented.

Onus and Material Dates

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

- s. 30 - 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. 16(3) - 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.)).

Section 30(i) Ground

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. (*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.

Distinctiveness Ground of Opposition

The Opponent has pleaded that the Applicant's trade-mark is not distinctive, in that it is not adapted to distinguish the applied for wares and services from the Opponent's EMERALD wares. Although the legal onus is on the Applicant to show that its mark is adapted to

distinguish its wares and services from the wares of others throughout Canada (see *Muffin Houses Inc. v. Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272 (T.M.O.B.)), there is an evidential burden on the Opponent to prove the allegations of fact supporting its ground of non-distinctiveness.

In order to meet its evidential burden with respect to this ground, the Opponent must show that as of the filing of the opposition its trade-mark EMERALD had become known sufficiently to negate the distinctiveness of the Mark (*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.); *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.)). A mark must be known to some extent at least to negate the established distinctiveness of another mark, and its reputation in Canada should be substantial, significant or sufficient; it need not be well known in Canada. (*Bojangles' International, LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.T.D.); *Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 (F.C.T.D.) at 58; *Andres Wines Ltd. v. E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 (F.C.A.) at 130; and *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.) at 424).

As noted above, the Opponent has submitted as its evidence the affidavits of Gary K. Ford, Executive Vice-President and Chief Operating Officer of the Opponent, Ray Lalonde, Vice-President of Sales for Powell May International, a food ingredient importer and exporter located in Mississauga, Ontario, Ron Fenwick, V.P. Sales for National Accounts and Director of Sales for Compass Food Sales Co. Ltd., a company that provides a complete line of food ingredients and snack products to various food product retailers and Jim Hunstperger, the owner of Northwest Ingredients Inc., a food ingredient broker representing various principals in the commodity and ingredient mark for the north-Western U.S. and Western Canada, including the Opponent. The following evidence of the Opponent satisfies its initial evidential burden with respect to this ground:

- As of the date of Mr. Ford's affidavit (December 12, 2006), the Opponent's culinary, in-shell, snack and ingredient nuts were sold in more than 60,000 retail locations in the U.S. and Canada and in more than 100 countries around the world with over \$447 million (U.S.) in sales in the fiscal year ended July 31, 2006;
- The Opponent has sold EMERALD nuts in Canada on a regular basis from 1958 until 2001;
- EMERALD snack nut products have been sold in Canada from April 2004 to the date of Mr. Ford's affidavit (i.e. December 12, 2006);
- The Opponent's sales of EMERALD brand nuts in Canada were \$254,000 in 2001, \$32,849.85 in 2004, \$44,350 in 2005 and \$110,200 in 2006;
- While the Opponent has used its EMERALD mark in different logo styles and with different designs over the decade, use of the word mark EMERALD has remained constant;
- Samples of EMERALD labels used by the Opponent in association with in-shell and shelled nuts in Canada and elsewhere between 1947 and 2002, and samples of EMERALD snack nut packaging used in Canada 2004, 2005 and 2006 have been attached as exhibits to Mr. Ford's affidavit;
- Copies of selected EMERALD nut order confirmations to Canada and invoices for the years 2001-2004 have been attached as Exhibit P1 to Mr. Ford's affidavit; and
- A marketing strategy for the Opponent's EMERALD brand glazed and premium nut products in Canada was developed in 2004 and has included in store demonstrations, large free-standing product displays, promotion on a website dedicated to EMERALD brand products, the showcasing of EMERALD brand snack nuts at various trade shows and the showcasing of the EMERALD brand in the 2005 publication of The Canadian Grocer Magazine, Canada's only national grocer magazine.

the test for confusion

In considering whether a trade-mark is distinctive, one may consider whether it is likely to cause confusion with another's mark. 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

While neither party's mark may be a coined term, both marks are inherently distinctive with respect to their wares. In any case, since both parties' marks are identical, this factor does not favour either party.

The strength of a trade-mark, however, may be increased by means of it becoming known through promotion or use.

Based on the evidence furnished, I am able to conclude that the Opponent's EMERALD mark

has become known in Canada. As the Applicant has filed no evidence, I must assume that its Mark has not become known in Canada to any extent.

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

The length of time that each mark has been in use favours the Opponent.

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

The Applicant's "all kinds of edible nuts" and "snack foods, including nuts, salted nuts, raw nuts, and nut mixes" are more or less identical to the Opponent's shelled and unshelled nuts, and processed and unprocessed nuts. Most of the remaining applied for wares are similar to the Opponent's wares, as they could each fall under the umbrella of "snack items". The Applicant's services of manufacturing, packaging, distributing and selling confectionery, edible nuts, snack foods and frozen foods would also overlap with the Opponent's wares.

Considering the wares and services of the parties that are either identical or similar in nature, I must conclude that there could also be an overlap in the trades of the parties. While I may not be convinced that the trades of the parties would necessarily be similar for the Applicant's frozen meat products and frozen vegetables, the onus is on the Applicant to differentiate the trades of the parties and the Applicant has failed to do so. Thus, in the absence of evidence from the Applicant, and for the purposes of assessing confusion, I expect that there would be potential for overlap in the parties' channels of trade through supermarkets, although I would not expect the Applicant's frozen meat products and frozen vegetables and the Opponent's nuts to be sold side by side.

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

While the Opponent has acknowledged that its EMERALD mark has been used in association with different logos and designs over the years, I agree with the Opponent that use of the mark EMERALD, per se, has been constant. The parties' marks are therefore identical in appearance, sound, and ideas suggested.

conclusion re likelihood of confusion

I find that a consideration of all the surrounding circumstances leads to the conclusion that the Applicant's EMERALD mark is not capable of distinguishing its wares and services from the Opponent's EMERALD wares. In this regard, the parties' marks are identical and most of the parties' wares and services are similar if not also identical. The Applicant has therefore not discharged its burden to prove, on a balance of probabilities, that the Mark is adapted to distinguish because it is likely to cause confusion with the Opponent's mark. As stated in *Andres Wines Ltd. v. E. & J. Gallo Winery, supra*, at p. 130:

Here the respondent is seeking to monopolize the use of the mark and the question is that of his right to do so, which depends not on whether someone else has a right to monopolize it, but simply on whether it is adapted to distinguish the respondent's wares in the marketplace. Plainly, it would not be adapted to do so if there were already six or seven wine merchants using it on their labels and for the same reason it would not be adapted to distinguish the respondent's wares **if it were known to be already in use by another trader in the same sort of wares.** (emphasis added)

The distinctiveness ground of opposition therefore succeeds.

Section 16(3)(a) Ground

The Opponent has further plead that the Applicant is not the person entitled to registration of the trade-mark in view of s. 16(3)(a) because the Mark is confusingly similar to the Opponent's EMERALD and EMERALD OF CALIFORNIA & Design trade-marks which have been previously used in Canada and which had not been abandoned at the date of advertisement of the Applicant's application. I am satisfied that the Opponent has discharged its evidential burden with respect to this ground of opposition.

My conclusions above regarding the issue of confusion are for the most part also applicable to this ground of opposition. The ground of opposition based Section 16 succeeds because the Applicant has not satisfied the legal onus on it to establish that there would be no reasonable likelihood of confusion between its EMERALD mark and the Opponent's marks.

Disposition

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

DATED AT Gatineau, Quebec, THIS 27th DAY OF May, 2009.

C.R. Folz
Member,
Trade-marks Opposition Board