

SECTION 45 PROCEEDINGS
TRADE-MARK: COUNTRY CHOICE
REGISTRATION NO: TMA 358,710

On August 4, 2005, at the request of Riches, McKenzie & Herbert LLP (the “requesting party”), the Registrar issued the notice prescribed by s. 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”) to Agropur Coopérative, the registered owner of registration No. TMA 358,710 for the trade-mark COUNTRY CHOICE (the “Mark”). The Mark is registered for use in association with “dairy products namely cottage cheese, sour cream, yogurt and dips”.

Section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and/or services listed on the registration at any time within the three year period immediately preceding the date of the notice, and if not, the date when it was last in use and the reason for the absence of use since that date. In this case, the relevant period for showing use is any time between August 4, 2002 and August 4, 2005.

“Use” in association with wares is set out in subsections 4(1) and 4(3) of the *Trade-marks Act*:

- (1) A trade-mark is deemed to have been used in association with wares if, at the time of the 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 packages 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.

- (3) A trade-mark that is marked in Canada on wares, or on the packages in which they are contained is, when the wares are exported from Canada, deemed to be use in Canada in association with those wares.

In this case, only subsection 4(1) of the *Act* applies.

In response to the Registrar's notice, the registered owner furnished the affidavit of Mr Jean-Paul Clément, "Chef environnement et emballages" since January 9, 2006 and "Chef Emballage Merchandising" during the period of November 1994 to January 2006 for the registered owner. The requesting party filed a written argument. Neither party requested an oral hearing.

In his affidavit, Mr Clément states that he has access to the registered owner's books and records and makes his declaration based on either his personal knowledge or his research of the books and records.

As a preliminary matter, I note that the affiant has made no specific statements as to the use of the Mark in association with sour cream, yogurt and dips during the relevant period, nor does the evidence show use. In its written argument, the requesting party conceded that use had been shown with respect to cottage cheese and submitted that the register be amended to delete the wares "sour cream, yogurt and dips" from the registration. As such, the following is a discussion of whether the evidence does in fact show use in association with cottage cheese in a manner satisfying the provisions of Section 45 of the *Act*.

I shall address first whether the Mark was used by the proper owner. The affiant states that the registered owner carries on business under several trade names, such as Natrel. I take the opportunity to note here that in Exhibit JPC-3, photocopies of pages from the registrant's website dated Copyright © 2005, appear to show Natrel as a division of the registered owner's company. The affiant also states that the registered owner had granted a licence to Natrel Inc. for the use of various trade-marks owned by the registered owner, including the trade-mark COUNTRY CHOICE, which licence was in effect until December, 2003. The affiant also states that the registered owner had control over the character and quality of the wares. He states that subsequent to December 2003, the use was by the registered owner principally through its Natrel division.

Section 50 of the *Trade-marks Act* deals with licenced use; in this case only subsection 50(1) of the *Act*, reproduced below, applies:

- (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the wares or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

I am satisfied in this case that any use that is shown by the licensee or the division of the registered owner during the relevant period would accrue to the registered owner. In this regard, the affiant's statements are sufficient for the purposes of section 45 to satisfy the requirement of subsection 50(1) of the *Act*.

I now turn to the issue of whether the Mark was used during the relevant period in the manner required by subsection 4(1) of the *Act*. The affiant has described the registered owner's normal course of trade. He states that the registered owner operates sixteen dairy production facilities in four Canadian provinces, where it manufactures and sells dairy products (which, inferring from the evidence, would include products sold bearing the Mark) which are offered for sale at 30 000 points of sale in Canada. In the fiscal year ending on October 29, 2005, revenue totalled about 2.15 billion dollars, and at the end of the same period, its assets stood at about 774 million dollars.

He specifies that the product sold in association with the Mark COUNTRY CHOICE is cottage cheese and he provides the number of units of cottage cheese that were sold in 2003, 2004 and 2005. Attached in Exhibit JPC-1 are photos of the packaging in which the cottage cheese is sold. The affiant states that this packaging is identical to the packaging used during the relevant period. The words COUNTRY CHOICE appear on the packaging with a TM symbol on the right hand side, all of which is surrounded by a semi-circular box. A

second trade-mark, namely SEALTEST, also appears on the packaging above the COUNTRY CHOICE trade-mark. The use of a trade-mark in combination with additional words or features constitutes use of the registered mark if the public as a matter of first impression, would perceive the trade-mark *per se* as being used. This is a question of fact which is dependent on whether the trade-mark stands out from the additional material, for example by the use of different lettering or sizing or whether the additional material would be perceived as clearly descriptive matter or as a separate trade-mark or trade name ((*Nightingale Interloc Ltd.v. Prodesign Ltd.* 2 C.P.R. (3d) 535; 88766 *Canada Inc v. National Cheese Co.* 24 C.P.R. (4th) 410). The use of multiple trade-marks is permissible. [*A.W. Allen Ltd. v. Warner-Lambert Canada Inc.* (1985), 6 C.P.R. (3d) 270 (F.C.T.D.)]. In this case, due to their placement on the packaging, the colour and the different fonts, the trade-marks COUNTRY CHOICE and SEALTEST would be perceived as separate trade-marks. With respect to the issue of the words COUNTRY CHOICE being surrounded by a box design, I consider that it is use of the Mark as registered because the words COUNTRY CHOICE do stand out from the box design. The TM symbol which appears immediately following the words COUNTRY CHOICE clearly would provide the message to the public that COUNTRY CHOICE is a trade-mark.

In Exhibit JPC-2, the affiant has provided copies of invoices for the cottage cheese product sold in association with the Mark in Canada. The affiant also identifies and makes the connection between the UPC codes set out in the invoices and the cottage cheese. I note that the name appearing at the top of the invoices is either Natrel or Natrel Inc. and that the sales are made to Canadian businesses within the relevant period. The above evidence satisfies the registrant's onus to show that it used the Mark in Canada in its normal course of trade during the relevant three-year period in association with cottage cheese. [*Cinnabon, Inc. v. Yoo-Hoo of Florida Corp.* (1998), 82 C.P.R. (3d) 513 (F.C.A.); *Vogue Brassiere Inc. v. Sim & McBurney* (2000), 5 C.P.R. (4th) 537 (F.C.T.D.) at 548-9]

In view of all the foregoing, it is my conclusion that registration no. TMA358,710 for the trade-mark COUNTRY CHOICE ought to be amended to maintain the wares "Dairy

products namely cottage cheese” but to delete the wares “sour cream, yogurt and dips”.
Registration No. TMA 358,710 will be amended accordingly in compliance with the
provisions of subsection 45(5) of the Act.

DATED AT GATINEAU, QUEBEC, THIS 6TH DAY OF MARCH 2008.

C. Laine
Junior Section 45 Hearing Officer
Trade-marks Opposition Board