



**LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS**

**Citation: 2013 TMOB 6
Date of Decision: 2013-01-09**

**IN THE MATTER OF AN OPPOSITION by
Joey Tomato's (Canada) Inc. to application
No. 1,443,856 for the trade-mark LOCAL
FOOD ... GUARANTEED in the name of
100 Mile Market Inc.**

[1] On July 6, 2009, 100 Mile Market Inc. (the Applicant) filed an application to register the trade-mark LOCAL FOOD ... GUARANTEED (the Mark) based on proposed use of the Mark in Canada in association with the following wares and services:

Wares: (1) Fresh and frozen meat, namely pork, beef, lamb, mutton and goat, chicken, turkey and waterfowl; meat products, namely patties, sausages, wieners, prepared fillets, burgers, salami, bratwurst, bologna, pepperoni, pates, ham, corned beef, turkey, and jerky; fresh, frozen, prepared and canned vegetables, namely carrots, onions, shallots, garlic, celery, celeriac, cabbage, broccoli, cauliflower, lettuce, spinach, assorted greens, beans, peas, legumes, pulses, sprouts, potatoes, turnips, radishes, tomatoes, pickles, cucumbers, eggplant, horseradish, brussels sprouts, squash, sauerkraut, sweet potato, and endive; mushrooms; cereal grains and seeds, namely wheat, barley, oats, spelt, flax, rye, soy, corn, sunflower, mustard, millet, sorghum, and peanuts; prepared grains and seeds, namely oatmeal, cornmeal, flax meal, grain and seed flours, muesli, ready to eat cereals, wheat hearts, cream of wheat, rolled oats, brans, peanut butter, mustard, tofu, soya sauce, popcorn; baked goods, namely bread, rolls, crackers, pie crust, pizza dough, cookies, flatbreads, croutons, crumbs, bagels, and muffins; pasta, namely spaghetti, macaroni, lasagna, linguini, radiattori, and egg noodles; oils, namely soya oil, sunflower oil, flax oil, corn oil, peanut oil, grapeseed oil, and mustard; vinegars; eggs; dairy products, namely milk, yogurt, cream, sour cream, ice cream, cheeses, yoghurt, cottage cheese, cream cheese, butter, and buttermilk; spreads, namely cheese spreads, meat spreads, flavoured butters, and cream cheese dips; sauces and dressing, namely meat sauces, tomato based sauces, pasta sauces, meat marinades, barbeque sauces, steak sauces, salad dressings, and

salsa; fruits, namely strawberries, raspberries, Saskatoon berries, cranberries, blueberries, cherries, kiwis, blackberries, currants, gooseberries, huckleberries, apples, pears, peaches, apricots, watermelons, and cantaloupes; jams, jellies and marmalades; beer, wine and spirits, namely craft style beer, grape wines and fruit wines, meads, and distilled spirits, namely brandy, gin, whiskey, bourbon, vodka, liqueurs and cordials; processed foods and fresh and frozen entrees, namely lasagna, breaded cutlets, breaded chicken, hamburger, beefburger, meat pies, quiche, vegetarian lasagna, vegetarian burgers, lard, shortening, bacon, bacon bits, beef stew, chicken soup, beef soup, mushroom soup, vegetable soup, fruit pies, pizzas, and stir fry preparations; herbs and spices, namely oregano, dill, basil, cilantro, chive, parsley, rosemary, thyme, and sage; fresh and frozen fish, herbal teas, fruit teas, candy, snack bars, energy bars, vegetable juices, fruit juices, vegetable purees, fruit purees, and maple syrup.

Services: (1) Operation of retail outlets dealing in the sale of fresh, frozen, processed and prepared food products; the operation of a business dealing in the procurement and distribution of foods and food products to the hospitality industry; and restaurant services.

(hereinafter referred to as the Wares and Services)

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of January 27, 2010.

[3] On March 31, 2010, Joey Tomato's (Canada) Inc. (the Opponent) filed a statement of opposition alleging in summary that: the application does not conform to the requirements of sections 30(e) and 30(i) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act); the Mark is not registrable pursuant to section 12(1)(b) of the Act; the Mark is not distinctive of the Applicant pursuant to sections 2 and 38(2)(d) of the Act; and the Applicant is not the person entitled to registration of the Mark pursuant to section 16(3)(b) of the Act in view of the fact that the Mark is confusing with the Opponent's trade-mark LOCAL, in respect of which an application for registration had been previously filed in Canada, namely application No. 1,412,784 filed on September 30, 2008 on the basis of proposed use in association with the following wares and services:

Wares: (1) Beverageware including wine glasses and other glasses, cups and mugs; beverage coasters; wine cranks.

(2) Promotional items, namely key chains, flags, novelty buttons, greeting cards, note cards, pencils, pens, coffee mugs, and magnets, namely fridge magnets.

Services: (1) Restaurant, bar and lounge services; food take-out services including online ordering services for take-out food; catering services.

[4] The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[5] In support of its opposition, the Opponent filed the affidavit of Britt Innes, Director of Marketing of the Opponent, sworn November 1, 2010. In support of its application, the Applicant filed the affidavits of Paul Knechtel, Vice-President and Co-Founder of the Applicant, sworn February 25, 2011; and Dane Penney, a searcher with the firm representing the Applicant in the instant proceeding, also sworn February 25, 2011. Only the Opponent submitted a written argument, within which it withdrew the ground of opposition based on section 30(i) of the Act. No oral hearing was held.

Onus

[6] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidentiary 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 CPR (3d) 293 (FCTD); and *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

Overview of the parties' evidence

The Opponent's evidence

The Innes affidavit

[7] Ms. Innes states that following the filing of the Opponent's application for registration of the trade-mark LOCAL, the Opponent started providing on November 20, 2009, the services described in its application through a restaurant known as "LOCAL" and "LOCAL" Public Eatery in Vancouver, British Columbia (the Restaurant). Ms. Innes states that in late October 2010, the Opponent opened a second "LOCAL" restaurant in Medicine Hat, Alberta. Ms. Innes attaches to her affidavit as Exhibit "A" true copies of photographs taken of the signage outside the Restaurant incorporating the trade-mark LOCAL. Ms. Innes states that the trade-mark LOCAL is also featured prominently on the uniforms of the Restaurant's staff.

[8] Ms. Innes states that the Opponent uses the LOCAL trade-mark on materials used as part of the services described in its application, including in food menus, wine coasters, gift cards, and take-out bags. She attaches to her affidavit as Exhibit “B” true copies of a food menu and an alcohol menu, both displaying the trade-mark LOCAL and being in use in their current forms at the Restaurant by the Opponent since November 20, 2009.

[9] Ms. Innes states that between November 20, 2009 and March 31, 2010, the Opponent provided the services described in its application under the trade-mark LOCAL at the Restaurant to over 49,000 guests. She adds that at the time of swearing her affidavit, the Opponent had served over 165,000 guests at the Restaurant.

[10] Ms. Innes states that the Opponent markets the Restaurant under the trade-mark LOCAL in various ways, including by word of mouth, website advertising, social media advertising, and general publicity. Ms. Innes describes in further detail how such advertising and promotion is done. To this end, she attaches to her affidavit the following exhibits:

- Exhibit “C” that consists of a scanned copy of a gift card bearing the trade-mark LOCAL. Ms. Innes explains that the Opponent undertook a major publicity campaign when the Restaurant was launched in November 20, 2009 where hundreds of such gift cards, which are redeemable for the services described in the Opponent’s application delivered under the trade-mark LOCAL at the Restaurant, were distributed to targeted clientele;
- Exhibit “D” that consists of copies of screenshots taken of the Restaurant’s website showing the trade-mark LOCAL in use. Ms. Innes states that the website has been in its current form since at least as early as November 20, 2009 and over 18,000 visitors have visited the website since that time;
- Exhibit “E” that consists of a copy of a print-out of the Restaurant’s Twitter feed. Ms. Innes explains that the Opponent has a Facebook page and a Twitter page for advertising the services that the Opponent offers at the Restaurant. She states that the Twitter page for the Restaurant has been in use since November 20, 2009 and had over 600 followers as of October 25, 2010; and

- Exhibits “F” and “G” that consist of copies of articles describing the Restaurant published on the websites *www.kitsilano.ca* on November 20, 2009 and January 12, 2010, and *www.sweetspot.ca* on January 5, 2010, respectively.

The Applicant’s evidence

The Knechtel affidavit

[11] Mr. Knechtel states that following the filing of the instant application, the Applicant commenced use of the Mark in August 2009 in association with a number of the Wares, including vegetables, dairy products, meats, fruits, cooking oils, and grain products, and some of the Services, including the operation of a business dealing in the procurement and distribution of foods and food products to the hospitality industry.

[12] Mr. Knechtel states that the Applicant uses the Mark as a tag line or slogan in conjunction with its trade-mark, 100 MILE MARKET, or with its business name, 100 Mile Market Inc.

[13] More particularly, Mr. Knechtel states that the Mark is used in association with the Applicant’s wares and services by displaying the Mark on its website, stickers, brochures, price lists and delivery vans.

[14] Mr. Knechtel provides the Applicant’s revenues from sales of its food products and services in Canada in association with the Mark for the months August-December 2009 (\$194,000), the year 2010 (\$873,000), and the months January-February 2011 (\$125,000). He further states that the Applicant has spent at least \$80,000 on advertising and promoting its wares and services in association with the Mark. He explains that such advertising and promotion is done, for example, through print media, electronic media and trade show advertising.

[15] In support of his assertions, Mr. Knechtel attaches the following exhibits:

- Exhibit “B” that consists of representative samples of stickers displaying the Mark;
- Exhibit “C” that consist of a copy of a price list dated January 4, 2010, which displays the Mark, and Exhibit “D” that consists of copies of the title page and first page of a Food

Service price list, dated September 2, 2010, and a Retail price list, dated July 31, 2010, displaying the Mark. Mr. Knechtel explains that to facilitate the sale of its food products, the Applicant produces and distributes price lists that display the Mark and list the food products offered by the Applicant;

- Exhibit “E” that consists of copies of photographs of the company vans displaying the Mark;
- Exhibits “F” and “G” that consist of copies of photographs taken at the Savour Stratford Food Show in August 2009, and the Evergreen Brick Works trade show in Toronto in June 2010, respectively, showing vans, brochures and other displays featuring the Mark;
- Exhibit “H” that consists of a copy of the title page and first page of a representative sample of a Fresh@Home price list, which displays the Mark. Mr. Knechtel states that in January 2011, the Applicant began to offer its Fresh@Home service for consumers. He explains that the Fresh@Home service enables consumers to order food products over the Internet and then pick up the order at specified locations;
- Exhibit “I” that consists of a copy of the front panel of a representative brochure, which displays the Mark. Mr. Knechtel explains that the Applicant produces and distributes numerous advertising and promotional materials to Canadians that display the Mark, including brochures; and
- Exhibit “J” that consists of a copy of a web page from the Applicant’s website located at *www.100milemarket.com*, displaying the Mark.

[16] Mr. Knechtel states that the Applicant intends to use the Mark in association with additional wares and services. For example, the Applicant intends to license restaurants, which serve or offer the Applicant’s food products, to use signage incorporating the Mark in order to identify that the food products have been sourced from the Applicant. To this end, he attaches as Exhibit “K” to his affidavit a representative sample of a sticker displaying the Mark, which the Applicant intends to use as part of its licensing program.

The Penney affidavit

[17] Mr. Penney states that he has conducted a search of the records of the Canadian Trade-marks Office to locate active trade-mark applications and registrations for marks including the word LOCAL, indexed under International classes 29, 30, 31, and 32, which include distribution and importing of food and beverage products. I will discuss the results of his search when assessing the additional surrounding circumstances under the test for confusion.

Analysis of the grounds of opposition

[18] I will now assess the remaining grounds of opposition without necessarily respecting the order in which they were raised in the statement of opposition.

Section 12(1)(b) ground of opposition

[19] The Opponent has pleaded that the Mark is not registrable pursuant to section 12(1)(b) of the Act because it is either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the Applicant's Wares and Services.

[20] The Opponent submits that the ordinary meanings of the words comprising the Mark, namely, LOCAL, FOOD, and GUARANTEED, are sufficient to meet the Opponent's initial burden under this ground.

[21] The issue as to whether a mark is clearly descriptive or deceptively misdescriptive must be considered from the point of view of the average purchaser of the associated wares or services. Furthermore, the mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression [see *Wool Bureau of Canada Ltd v Registrar of Trade Marks* (1978), 40 CPR (2d) 25 (FCTD); and *Atlantic Promotions Inc v Registrar of Trade Marks* (1984), 2 CPR (3d) 183 (FCTD)]. Character means a feature, trait or characteristic of the product and "clearly" means "easy to understand, self evident or plain" [see *Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 (ExCt)].

[22] For a trade-mark to be considered clearly descriptive, the mark must not be merely suggestive. The purpose of the prohibition with respect to clearly descriptive trade-marks is to prevent any single trader from monopolizing a term that is clearly descriptive or common to the trade, thereby placing legitimate traders at a disadvantage [see *Canadian Parking Equipment Ltd v Canada (Registrar of Trade-marks)* (1990), 34 CPR (3d) 154 (FCTD)]. For a trade-mark to be considered deceptively misdescriptive, the mark must mislead the public as to the character or quality of the wares and services. The mark must be found to be descriptive so as to suggest the wares or services are or contain something that is not the case. The purpose of the prohibition with respect to deceptively misdescriptive trade-marks is to prevent the public being misled [see *Atlantic Promotions, supra*; and *Provenzano v Canada (Registrar of Trade-marks)* (1977), 37 CPR (2d) 189 (FCTD)].

[23] Also, as stated by Mr. Justice Martineau in *Neptune SA v Canada (Attorney General)* (2003), 29 CPR (4th) 497 (FCTD) at paragraph 11:

To determine whether a trade-mark falls under [the section 12(1)(b)] exclusion, the Registrar must not only consider the evidence at his disposal, but also apply his common sense in the assessment of the facts. The decision that the mark is either clearly descriptive or deceptively misdescriptive is based on his initial impression. He must consider it not in isolation but in light of the product or service in question.

[See also *Ontario Teachers' Pension Plan Board v Canada (Attorney General)* (2010), 89 CPR (4th) 301 (FC) at para 48; aff'd (2012), 99 CPR (4th) 213 (FCA).]

[24] The material date to assess a section 12(1)(b) ground of opposition is the filing date of the application, in this case July 6, 2009 [see *Fiesta Barbecues Ltd v General Housewares Corp* (2003), 28 CPR (4th) 60 (FCTD)].

[25] I agree with the Opponent that it has met its initial evidentiary burden in this case. As indicated by the Opponent in its written argument, I can take judicial notice of authoritative Canadian and English dictionaries, such as the *Canadian Oxford Dictionary* for the definitions of “local”, “food”, and “guaranteed”.

[26] I agree with the Opponent that the Mark clearly describes a feature, trait or characteristic of the Wares and Services in that the phrase LOCAL FOOD ... GUARANTEED is guaranteeing that local food products are or will be provided to customers. Alternatively, I agree with the

Opponent that if the Applicant offers or intends to offer food products that are not local to customers, the Mark is deceptively misdescriptive of the Wares and Services. Where the Applicant is providing a product that is not local to a customer, the phrase LOCAL FOOD ... GUARANTEED will not only be descriptive of the Wares and Services, but will also mislead the public as to the character or quality of such Wares and Services, as the Mark is suggesting something that is not true.

[27] A parallel can be made between the instant case and the decisions in *Candrug Health Solutions Inc v Thorkelson* 2007 FC 411, and *Heart and Stroke Foundation of Canada/Fondation des maladies du coeur du Canada v Green Circle Foods, Inc* 2012 TMOB 163 (CanLII). In *Candrug*, the Federal Court found the trade-marks CANADA DRUGS and CANADADRUGS.COM deceptively misdescriptive of, among others, the services of the operation of a drug store. The Court found that on a balance of probabilities, the ordinary consumer would think that there is a greater connection to Canada than merely the location of the office, such as the origin of the drugs themselves or, at a minimum, the dispensing services. In light of the fact that the prescriptions were not always filled by a Canadian pharmacy, the Court found that the ordinary consumer would be deceived as to the product. In *Green Circle*, the Registrar found the trade-mark HEALTHY OPTIONS to be clearly descriptive of the applicant's food products. As a matter of common sense and of first impression, the Registrar was of the view that a member of the public viewing the words "healthy options" in association with "(1) processed meats and poultry; (2) deli meats and poultry", would probably have regarded these words as describing that the applicant's meat and poultry products were a healthier alternative to the meat and poultry products of others.

[28] In closing on this ground of opposition, I wish to add that as noted by the Opponent, the Applicant's evidence establishes that the Applicant's business centers on the concept of providing food that is guaranteed to be local to a customer. On the price list attached as Exhibit "C" to the Knechtel affidavit, the Applicant states:

At 100 Mile Market, we believe that local food should be as available as conventional foods. You deserve to get what you want when you want it. Our procurement plan is to buy from the farm or as close to the farm as possible. We do not warehouse or inventory fresh product. We provide a one day turnaround time from farm gate to your back door so while product of always fresh, it is not always readily available at a moments notice. Following

are some useful tips you can employ to help us help you get the freshest possible local food consistently and on time. [...]

[29] While such evidence postdates the material date for assessing the Opponent's section 12(1)(b) ground of opposition, I find that it is in line with my finding made above as to the descriptive character of the Mark. Indeed, the Applicant's own evidence far from contradicting my finding made above, reinforces it. It is also worth mentioning that the Applicant did not provide any submissions to rebut the Opponent's argument.

[30] In view of the above, the section 12(1)(b) ground of opposition succeeds.

Non-distinctiveness ground of opposition

[31] The Opponent has pleaded that the Mark is not distinctive of the Applicant within the meaning of section 2 of the Act in that it is not adapted to distinguish and does not actually distinguish the Applicant's Wares and Services from the Opponent's wares and services covered by the Opponent's application No. 1,412,784.

[32] An opponent meets its initial onus with respect to a non-distinctiveness ground if it shows that as of the filing date of the statement of opposition its trade-mark had become known to some extent at least to negate the distinctiveness of the Mark [see *Motel 6, Inc v No 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD)]. As per my review of the Innes affidavit above, the Opponent has met this burden with respect to the services described as "restaurant services". However, it has not with respect to the remaining services and the wares covered by its aforementioned application. Indeed, except for Ms. Innes' statement that "the Opponent uses the LOCAL trade-mark on materials used as part of the [services described in its application], including food menus, wine coasters, gift cards, and take-out bags", her affidavit is silent as to the wares (1) and (2) and the remaining services described in the Opponent's application, and fails to provide documentary evidence in support thereof.

[33] The Applicant must therefore establish on a balance of probabilities that there is no likelihood of confusion between the Mark and the Opponent's LOCAL restaurant services.

[34] 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.

[35] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those listed at section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time the trade-marks have 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 in appearance or sound or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered, and are not necessarily attributed equal weight [see *Mattel, Inc v 3894207 Canada Inc* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC); and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) for a thorough discussion of the general principles that govern the test for confusion].

6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which they have become known

[36] The Opponent submits in its written argument that given that the Mark and the Opponent's trade-mark LOCAL are composed of common words, neither of the marks possesses significant inherent distinctiveness. I agree.

[37] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. On the one hand, the Opponent commenced use of the trade-mark LOCAL on November 20, 2009 in association with restaurant services in Vancouver, and later on in Medicine Hat, although the Innes affidavit does not provide much information as to the extent to which the trade-mark LOCAL has been used in that latter city. On the other hand, the Applicant commenced use of the Mark in August 2009 in association with some of the Wares and one of the Services in Ontario. The fact that the Applicant uses the Mark as a tag line or slogan in conjunction with its trade-mark 100 MILE MARKET, or with its business name, 100 Mile Market Inc., does not prevent the Mark *per se* from being used as a trade-mark by the Applicant

[see *Standard Coil Products (Canada) Ltd v Standard Radio Corp et al* (1971), 1 CPR (2d) 155 (FCTD); and *Carling O'Keefe Ltd v Molson Cos Ltd* (1982), 70 CPR (2d) 279 (TMOB)].

[38] While I acknowledge that each of the marks at issue has been used to some extent in Canada, and that such use may have helped to increase the distinctiveness of the marks, I am of the view that they nonetheless remain weak marks, especially the Mark given its clearly descriptive or deceptively misdescriptive character. The evidence of record does not allow me to conclude that any of the marks at issue has become so well known that one party is significantly and conclusively favoured over the other in the overall assessment of this first factor.

6(5)(b) – the length of time the trade-marks have been in use

[39] In view of my comments above, this factor does not significantly favour one party over the other.

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

[40] The Opponent submits in its written argument that the Applicant's Wares and Services are all food related and specifically include restaurant services. This is true. However, I find that except for the Applicant's Services described as "restaurant services", the exact nature of the parties' wares and services differ. I further note that some of the Applicant's Services are specifically directed to the hospitality industry. As such, I find that the parties' channels of trade also differ, at least with respect to these latter services.

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

[41] The Opponent submits in its written argument that because the Mark incorporates the totality of the Opponent's LOCAL trade-mark, there is a high degree of resemblance between the two. I disagree. The Mark is made up of the phrase LOCAL FOOD ... GUARANTEED, which I have found to be either clearly descriptive or deceptively misdescriptive of the character or quality of the Applicant's Wares and Services. Although the word LOCAL is the first portion of the Mark, I do not believe that it dominates the Mark given that it functions as an adjective of the

word FOOD. Furthermore, it is part of the descriptive phrase LOCAL FOOD ... GUARANTEED that must be considered in its entirety, as opposed to dissected into its individual components. By comparison, the Opponent's trade-mark is made up of the word LOCAL alone, which may be found in the context of the Opponent's restaurant services to either refer to the English word "LOCAL" as an adjective in the sense of "belonging to, or existing in, a particular locality or neighbourhood", or to the French word "LOCAL", which may be understood not only as an adjective, but also as "*un bâtiment*" (premises). Indeed, the applicable linguistic test has been set out in *Pierre Fabre Médicament v SmithKline Beecham Corp* (2001), 11 CPR (4th) 1 (FCA) in the following terms:

It follows that once there is a risk of confusion in either of the country's two official languages, a trade-mark cannot be registered. The particular problem with which Joyal and Strayer JJ. were confronted was the possibility that a trade-mark that does not create any confusion in a Francophone or in an Anglophone might create confusion in a bilingual person through the use of usual, distinct words in French and in English but, to someone who knew what it meant in both languages, referring to the same reality. For example, in *Les Produits Freddy Inc.*, the word "noixelle" might mean nothing to an English-speaking person, and the word "nutella" might be meaningless to a French-speaking person, but it was not excluded that the use of either of these words would confuse a bilingual person who knew the meaning in both languages. It was solely to guard against this possibility that the test was extended to the average bilingual consumer.

[42] Taken as an equivalent to the French noun "*bâtiment*" (premises), there is no similarity between the Opponent's trade-mark and the Mark in the ideas suggested by them. Taken as an adjective, the Opponent's trade-mark suggests the idea of a neighbourhood restaurant. In that latter scenario, the ideas suggested by the Opponent's trade-mark and the Mark still differ in that the Opponent's trade-mark does not guarantee to the customers that local food products are or will be provided at its restaurant premises. In addition, the marks do differ in appearance and sound.

State of the register evidence

[43] State of the register evidence is introduced to show the commonality or distinctiveness of a mark or portion of a mark in relation to the register as a whole. Evidence of the state of the register is only relevant insofar as inferences may be made on it concerning the state of the marketplace, and inferences about the state of the marketplace can only be drawn when a

significant number of pertinent registrations are located [see *Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD); and *Maximum Nutrition Ltd v Kellogg Salada Canada Inc* (1992), 43 CPR (3d) 349 (FCA)].

[44] The Opponent submits in its written argument that while the Penney affidavit identifies 50 active trade-mark applications and registrations incorporating the word LOCAL, only allowed trade-mark applications and active trade-mark registrations identified in the search are relevant to infer the state of the marketplace. I agree.

[45] The Opponent further submits that of the 50 active trade-mark applications and registrations revealed by Mr. Penney's search, there are no allowed trade-mark applications, and in fact, only one registration covering restaurant services, namely LOCAL HEROES (registration TMA691,041). Flipping through the search report, and in the absence of any representations made by the Applicant, I note that another trade-mark registration would apparently relate to restaurant services, namely THINK GLOBAL EAT LOCAL (TMA715,923). In any event, I agree with the Opponent that the number of registrations apparently revealed in association with restaurant services in the Penney affidavit is insufficient to allow the Registrar to infer anything about the state of the marketplace.

Conclusion re likelihood of confusion

[46] As indicated above, the issue is whether a consumer, who has a general and not precise recollection of the Opponent's trade-mark LOCAL, will, upon seeing the Mark be likely to believe that their associated wares or services share a common source. Section 6(2) of the Act is not concerned with confusion between the marks themselves, but rather confusion as to the source of the wares or services.

[47] While the Applicant's Services described as "restaurant services" are identical to or overlap with the Opponent's restaurant services, I find that the differences existing between the parties' marks in appearance and sound as well as in the ideas suggested by them are sufficient to preclude a likelihood of confusion, especially in view of the fact that none of the marks at issue may be qualified as a strong mark. Indeed, as noted by the Supreme Court in *Masterpiece, supra*,

at paragraph 49, “the degree of resemblance, although the last factor listed in [section] 6(5) [of the Act], is the statutory factor that is often likely to have the greatest effect on the confusion analysis [...] if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion”.

[48] In view of the above, the non-distinctiveness ground of opposition is dismissed.

Section 16(3)(b) ground of opposition

[49] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark in view of section 16(3)(b) of the Act because as at the date of filing of the application, the Mark was confusing with the Opponent’s trade-mark LOCAL, in respect of which an application for registration had been previously filed in Canada by the Opponent, namely application No. 1,412,784 described above.

[50] In order to meet its evidentiary burden under this ground, the Opponent must show that its application for registration had been filed prior to the date of filing of the Applicant’s application and was pending at the date of advertisement of the Applicant’s application [section 16(4) of the Act]. This initial burden having been discharged in this case, it is up to the Applicant to show on a balance of probabilities that there is no likelihood of confusion between the Mark and the Opponent’s trade-mark.

[51] The ground therefore remains to be decided on the issue of confusion between the marks as of the filing date of the Applicant’s application. The difference in relevant dates affects my analysis above under the section 6(5)(a) and (b) factors in that as of the filing date of the Applicant’s application, none of the parties’ marks had been used. My analysis above under the section 6(5)(c) and (d) factors also differs in that I must consider the entirety of the Opponent’s statement of wares and services covered by application No. 1,412,784, as opposed to only part of the Opponent’s services for which evidence of use had been provided as of the material date for considering the Opponent’s non-distinctiveness ground of opposition. That said, my ultimate finding under the section 6(5)(a) and (b) factors is the same in that, in the absence of evidence of use of either of the parties’ marks, none of these factors significantly favours one party over the other. My ultimate finding under the section 6(5)(c) and (d) factors also remains the same in that

except for the Applicant's Services described as "restaurant services", the exact nature of the parties' wares and services still differ.

[52] That said, my conclusion above under the non-distinctiveness ground of opposition remains applicable. As such, I find that the Applicant has met its legal onus to show that there is not a reasonable likelihood of confusion between the parties' marks. The section 16(3)(b) ground of opposition is accordingly dismissed.

Section 30(e) ground of opposition

[53] The Opponent has pleaded that the application does not conform to the requirements of section 30(e) of the Act since contrary to the statement made in the application, the Applicant has no intention to use the Mark in Canada in association with the Wares and Services.

[54] More particularly, the Opponent submits in its written argument that the Applicant's evidence filed through the Knechtel affidavit is clearly inconsistent with the Applicant's claim that it intends to use the Mark for restaurant services. The Opponent relies on the statement made by Mr. Knechtel in paragraph 17 of his affidavit according to whom, "[t]he Applicant intends to use the [Mark] in association with additional wares and services. For example, the Applicant intends to license restaurants, who serve or offer the Applicant's food products, to use signage incorporating the Mark in order to identify that the food products have been sourced from the Applicant". The Opponent submits that the licensing of the Mark to restaurants which sell or offer the Applicant's products to indicate that such products originated with the Applicant does not equate to the Applicant or its licensees providing restaurant services under the Mark.

[55] I disagree with the Opponent that the Applicant's evidence is clearly inconsistent with the Applicant's claim contained in its application that it intends to use the Mark for restaurant services. As expressly attested to by Mr. Knechtel, the above scenario is only but one example of how the Applicant intends to use the Mark in Canada. It may well be that the Applicant will not in the end use the Mark with all of the applied-for Wares and Services. However, this cannot lead to a finding that the Applicant's statement contained in its application that it intends to use the Mark by itself or through a licensee in association with all of the applied-for Wares and

Services was not true as of the material date to assess the Opponent's section 30(e) ground of opposition, which is the filing date of the Applicant's application.

[56] Accordingly, the section 30(e) ground of opposition is dismissed for the Opponent having failed to discharge its initial evidentiary burden in respect thereto.

Disposition

[57] In view of the foregoing and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Annie Robitaille
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office