

IN THE MATTER OF AN OPPOSITION  
by Earthrise Farms  
to application No. 695,619  
for the trade-mark **EARTHWISE**  
filed by Eric Saretzky

On December 11, 1991, Eric Saretzky filed an application to register the trade-mark **EARTHWISE**. The application was filed based on proposed use in Canada, with a priority date of September 6, 1991 based on the filing of two corresponding South African trade-mark applications. The mark was advertised in the Trade-marks Journal for the purposes of opposition on September 1, 1993. After amendments, the application of record now covers the following wares:  
Vegetarian food preparations prepared from natural vegetable products, including snack bars, artificial meat patties and spreads, but excluding dietary supplements in tablet or powder form; jellies, jams, salad dressings, preserves; and edible oils and fats of vegetable origin; soaps; perfumery, essential oils, cosmetic creams, lotions, dressings and powders for the face and body; hair lotions and dentifrices.

The opponent, Earthrise Farms, filed a statement of opposition on February 1, 1994, which was forwarded to the applicant on March 15, 1994. The first ground of opposition is that the application does not comply with Section 30(i) of the Trade-marks Act, R.S.C. 1985, c. T-13, (hereinafter, the Act), the opponent alleging that the applicant could not have been satisfied that it was entitled to use the trade-mark in Canada because of the use of the trade-mark **EARTHRISE** by the opponent and its predecessors-in-title in association with the sale of dietary supplements since May 1980. The second ground of opposition is that the trade-mark is not registrable pursuant to Section 12(1)(d) of the Act, as the applicant's mark is confusing with the opponent's registered trade-mark **EARTHRISE** TMA298,050. The third ground of opposition is that the applicant is not entitled to register the mark pursuant to Section 16(3)(a) of the Act because, as of the applicant's filing date, the mark was confusing with the opponent's trade-mark **EARTHRISE** previously used in Canada by the opponent and its predecessors-in-title since at least as early as May 1980. The fourth ground of opposition is that the applicant is not entitled to register the mark pursuant to Section 16(3)(c) of the Act because, as of the applicant's filing date, the mark was confusing with the opponent's trade names The Earthrise Company and Earthrise Farms, previously used in Canada since at least as early as May 1980. The fifth ground of opposition is that the mark is not distinctive of the wares of the applicant. The applicant filed and served a counter statement on September 23, 1994 in which it denied the opponent's allegations.

The opponent filed as its evidence the affidavit of Yoshimichi Ota, the president of Earthrise Farms, together with a certified copy of the opponent's registered Canadian trade-mark **EARTHRISE** TMA298,050. The applicant filed the affidavit of Richard A. R. Parsons, a member of the firm representing the applicant. There was no cross-examination of these affidavits. Both parties filed written arguments and were represented at an oral hearing.

As a preliminary matter, the opponent submitted that the statement "but excluding dietary supplements in tablet or powder form" in the applicant's statement of wares could be interpreted so as to include dietary supplements which are not in tablet or powder form. In my opinion, the applicant's wares are limited to those specifically listed in the description of wares. The inclusion of a statement excluding wares in a specific form does not imply that such wares are included in any other form. As a result, I do not consider the applicant's statement of wares to cover dietary supplements.

At the oral hearing the opponent withdrew the Section 30(i) ground of opposition. It is therefore not necessary to consider the first ground of opposition.

The second ground of opposition is that the applicant's mark is confusing with the opponent's registered trade-mark **EARTHRISE** TMA 298,050 for use in association with "Spirulina micro-algae dietary supplement tablets and powder", under Section 12(1)(d) of the Act. The legal burden is on the applicant to prove that there would be no reasonable likelihood of confusion between the trade-marks. The material date for considering the issue of confusion with a registered trade-mark is the date of my decision (see **Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.** (1991), 37 C.P.R. (3d) 413 (FCA)). Furthermore, in assessing whether there would be any reasonable likelihood of confusion between the trade-marks, the Registrar may have regard to all the surrounding circumstances, including those specifically enumerated in Section 6(5) of the Act. I have reproduced this subsection below:

- 6.(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including
- (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 the trade-marks or trade-names 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 or trade-names in appearance or sound or

in the ideas suggested by them.  
R.S., c. T-10, s. 6.

The first consideration is with respect to the inherent distinctiveness of the marks in question and the extent to which they have become known. As neither of these trade-marks describe the wares that they are sold in association with, I consider both marks to be inherently distinctive. The applicant's mark **EARTHWISE** is somewhat suggestive, the word EARTH implying the "natural" aspects of its wares. The opponent has stated that its mark **EARTHRISE** suggests the rise of the earth, presumably as viewed from the moon or some point in space. It would appear that the opponent's interpretation of its mark has been influenced by the fact that this mark is often used on the opponent's labels in association with a visual design of the earth as seen from space. However, the manner of use of a mark is of no relevance in considering its inherent distinctiveness. Inherent distinctiveness involves a consideration of the mark sought to be registered, and the wares and/or services covered in the application. In addition to the above mentioned connotation, the opponent's mark **EARTHRISE** could be construed to be suggestive of a product which arises from the earth, implying a "natural" composition. As a result, neither mark would appear to be more inherently distinctive than the other.

With respect to the extent to which the marks have become known, the applicant filed no evidence that its mark was in use. The wares described in the opponent's registration have been sold in Canada since May of 1980. However, the invoices filed by the opponent show that sales of these wares were made by The Earthrise Company. The name of the registered trade-mark owner, Earthrise Farms, does not appear on any of the invoices. In addition, the labels provided by the opponent show that the wares were "manufactured by" or "distributed by" Earthrise Co. or The Earthrise Co. or Earthrise Company and not by the registered owner. Some of the labels indicate that the opponent's wares were "cultivated at Earthrise Farms in California..." or "grown in desert sunshine at Earthrise Farms..." but this text appears within "The Earthrise Guarantee". In addition, the words "Earthrise Farms" are not treated any differently than the remainder of the text, giving no indication that they have significance apart from being a geographical source for the wares. The entire commercial impression of the labels is such that it would appear that the wares are a product of The Earthrise Co. or Earthrise Company.

There is no indication from the opponent's evidence that a licensing arrangement is in place. As a result, I cannot conclude that use by Earthrise Co. or The Earthrise Co. or Earthrise Company inures to the benefit of the opponent Earthrise Farms. In the absence of a formal licence, it was incumbent on the opponent to evidence facts from which it could be concluded that an informal licensing arrangement existed and that the opponent had direct or indirect control of the character or quality of the wares sold pursuant to that licensing arrangement. The fact that the mark user is a subsidiary of the opponent is insufficient to establish the existence of a licence within the meaning of Section 50 (see MCI Communications v. MCI Multinet Communications (1995), 61 C.P.R. (3d) 245 at 254 (TMOB)). As there is no evidence of an actual or implied licence, the opponent cannot rely on use by a subsidiary as showing use by the mark owner.

The opponent submits that at one time the registered owner was indicated on labels and invoices as the source of the wares sold in Canada, and that this period of "proper" trade-mark use should be taken into consideration. The original mark owner was Proteus Corporation, sometimes doing business as the Earthrise Company. This company was the mark owner from the date of first use claimed in the application, namely May 28, 1980, to the date that the mark was assigned, namely July 28, 1989. The opponent submits that the trade-mark was properly used between May 28, 1980 and July 28, 1989. However, the opponent filed no evidence indicating the volume of sales or advertising during those years. In addition, the opponent has been unable to show that the opponent itself or a licensed user has made sales in Canada since that time, and specifically at the relevant date. As I can only infer *de minimus* use from the certified copy of the opponent's registered trade-mark, the issue with respect to the extent to which the marks have become known is not a relevant consideration. Similarly, without consistent evidence of proper use by the opponent, the issue with respect to the length of time that the trade-marks have been in use is also not a relevant consideration.

On a related matter, the applicant objected to the evidence tendered by the opponent's affiant, Mr. Ota, as he qualified himself to speak on matters only with respect to the opponent Earthrise Farms and not its subsidiary The Earthrise Company. The applicant argues that the opponent's evidence should be rejected, as Mr. Ota does not have the knowledge or authority to speak for this subsidiary company. The applicant did not raise this issue prior to the oral hearing to allow the applicant the opportunity to respond to it, nor did they cross-examine Mr. Ota to provide him with the opportunity to indicate the depth of his knowledge of the affairs of the subsidiary company. With this in mind, I cannot consider Mr. Ota's evidence to be inadmissible, but have given it reduced weight in consideration of the applicant's concerns.

With respect to the nature of the wares, the applicant's wares include prepared vegetarian foods, as opposed to the opponent's very specific dietary supplements in the form of tablets or powder. The opponent's wares are marketed in Canada through a range of outlets, the most common being health and natural food stores. The Ota affidavit states that the health food compositions of the applicant would appear to be directed to the same class of purchasers as the opponent's products and could

very likely be offered for sale in the same outlets. I am inclined to agree. The opponent's wares are directed towards supplementing a vegetarian diet. For example, the label for the "Light & Fit Energy Shake" emphasizes that these wares are "completely vegetarian" and contain no animal or dairy ingredients. The opponent's informational pamphlets suggest that the purchaser combine the opponent's wares with "natural foods and exercise." The applicant filed no evidence with respect to the nature of its wares. However, the applicant's wares include "Vegetarian food preparations prepared from natural vegetable products..." I have inferred from this that the applicant's wares and the wares of the opponent are related, in that both are directed towards vegetarian consumers. I have also inferred that the channels of trade would overlap as they may both be available at the same health and natural food stores. I was asked by the applicant at the oral hearing to take judicial notice that dietary supplements are not sold side-by-side with prepared foods, even if found in the same health food stores. As the applicant did not adduce any evidence in support of this submission, and I do not believe that it is a matter for which I can take judicial notice, I rejected the applicant's request. The applicant also submitted that the opponent and applicant's wares are so different as to not likely be produced by the same entity. The fact that the applicant's original statement of wares at one time included dietary supplements to some extent undermines this submission.

The last consideration under Section 6(5) is the degree of resemblance between the marks in appearance, sound and ideas suggested. The marks at issue are **EARTHRISE** and **EARTHWISE**. The common element in these marks is the word EARTH. The trade-marks sound similar as the word RISE rhymes with the word WISE. The marks differ only by one letter. However, the ideas suggested by the marks are not necessarily identical. The opponent's mark suggests either the rise of the Earth as seen from the moon or in the alternative a "natural" product which arises from the earth. The applicant's mark also suggests a natural product, derived from the "wisdom" or knowledge of the earth.

As a surrounding circumstance, the applicant submitted evidence of the state of the register. Evidence of the state of the register is only relevant in as much as inferences may be made on it concerning the state of the marketplace (see **Ports International Ltd. v. Dunlop Ltd.** (1992) 41 C.P.R. (3d) 432 (TMOB)). Inferences regarding the state of the marketplace based on state of the register evidence can only be drawn when a significant number of pertinent registrations are located (see **Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.** (1992), 43 C.P.R. (3d) 349 (FCA)). Attached to the Parson affidavit were seventeen copies of registrations and five applications for trade-marks which include the word EARTH, all used in association with "food or dietary supplements". The marks would appear to be owned by some thirteen mark owners. The applicant included the opponent's registered trade-mark in this compilation. No evidence was shown of use of any of the marks in the marketplace. However, one may infer that at least some of these marks are in use. As a result, some weight can be given to this state of the register evidence. It would appear that other traders are using the word EARTH in association with "food or dietary supplements".

The applicant's evidence also indicates that there are some five trade-mark applications and three registrations which include the word EARTHWISE for use in association with various wares. Without evidence of use, this is not significant enough for me to draw conclusions respecting the state of the marketplace. The applicant also filed state of the register evidence with respect to applications and registrations including as a component the word SUNRISE or a sunrise design. I fail to see the relevance of the inclusion of this search. The fact that several marks which include the word SUNRISE can co-exist in the marketplace does not allow me to draw inferences with respect to marks which include the word EARTHRISE.

The legal burden is on the applicant to show that there is no reasonable likelihood of confusion between the marks at issue. As a result, if a determinate conclusion cannot be reached, the issue is resolved against the applicant. In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. Given that the wares are related, the channels of trade overlap and the differences between the marks in appearance and sound are very slight, I find that the marks are confusing. The second ground of opposition is therefore successful.

The material date with respect to the third ground of opposition under Subsection 16(3)(a) is the deemed date of filing the application, namely the convention priority date of September 6, 1991. There is an evidential burden on the opponent in view of the provisions of ss. 16(5) and 17(1) of the Act to establish its prior use of the trade-mark **EARTHRISE** in Canada as of the deemed filing date of the applicant's mark, as well as to show that it had not abandoned its trade-mark as of the date of advertisement of the applicant's application in the Trade-marks Journal. As indicated above, the opponent has not clearly shown that it has used the mark **EARTHRISE** in the ordinary course of trade in Canada. In addition, although there may have been "proper" use of this mark by the opponent's predecessor-in-title Proteus Corporation sometimes doing business as The Earthwise Company, I am not convinced that the opponent met its burden to clearly show use by the opponent or a predecessor, prior to the priority filing date of the application, and non-abandonment at the date the mark was advertised. As the opponent's burden has not been met, I must dismiss this third ground of opposition.

The material date with respect to the fourth ground of opposition under Subsection 16(3)(c) would also be the deemed date of filing the application, namely, the convention priority date of

September 6, 1991. Similar to the above, there is an evidential burden on the opponent to establish its prior use of the trade-names The Earthrise Company and Earthrise Farms in Canada as of the priority filing date of the applicant's mark, as well as to show that it had not abandoned these trade-names as of the date of advertisement of the applicant's application in the Trade-marks Journal. In my opinion, this has also not been shown. Although the words Earthrise Farms are found on the labels in the "Earthrise Guarantee", this reference is at best merely generic in nature, and more indicative of a geographical source of the wares, rather than an indicator of the actual entity manufacturing or distributing the wares. As an additional factor, the opponent's invoices do not show Earthrise Farms but are only marked with The Earthrise Company. With respect to the use of the trade-name Earthrise Company, although the opponent's labels may show that the wares are manufactured by Earthrise Co. or distributed by Earthrise Company, it would appear that any trade-name use inures to the benefit of these companies and not to the opponent, Earthrise Farms. I cannot conclude that the opponent used the trade-names The Earthrise Company and Earthrise Farms at the relevant date. As the opponent's burden has not been met, I must dismiss this fourth ground of opposition.

The fifth ground of opposition relates to the alleged non-distinctiveness of the applicant's trade-mark, which also turns on the issue of the likelihood of confusion between the applicant's trade-mark **EARTHWISE** and the opponent's trade-mark **EARTHRISE**. While the legal burden is on the applicant to establish the distinctiveness of its trade-mark, there is an evidential burden on the opponent to adduce sufficient evidence which would support the truth of its allegations relating to the alleged non-distinctiveness of the applicant's mark. The legal onus is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its services from those of the opponent and others throughout Canada (see Muffin Houses Inc. v. The Muffin House Bakery Ltd. (1985), 4 C.P.R. (3d) 272 (TMOB)). The material date for assessing the likelihood of confusion in respect of non-distinctiveness is the date of the filing of the opposition namely February 1, 1994. (see Cellular One Group, a partnership v. Brown, now standing in the name of Bell Mobility Cellular Inc. (1996), 69 C.P.R. (3d) 236 at 243 (TMOB)). I am permitted to take into account evidence of all the surrounding circumstances including the parties' sales and advertising under their respective marks up to the material date (see Castle & Cooke, Inc. v. Popsicle Industries Ltd. (1990), 30 C.P.R.(3d) 158 (TMOB)).

I would accept the opponent's evidence as indicating that the trade-mark **EARTHRISE** was in use in Canada by The Earthrise Company prior to the material date. Sales in Canada would appear to date back to the early 1980s. According to the Ota affidavit, sales in Canada exceeded \$34,280 for the year 1993 and \$54,420 for the year 1992. It is estimated that the annual advertising budget for **EARTHRISE** products exceeded \$40,000 for the years 1991 through 1994, although it is unclear how much of this advertising was directed at the Canadian market. Although these figures are by no means overwhelming, the long period of use of this mark in Canada is significant. The remainder of my findings would be similar to those considered above under Section 6(5).

With respect to the state of the register evidence, at this material date there would be at least three fewer trade-mark registrations which include the word **EARTH** in association with "food or dietary supplements". In my opinion, the fourteen remaining registrations would be sufficient for me to draw the same conclusions as I did above with respect to the reduced distinctiveness of the word **EARTH** in trade-marks used in association with "food or dietary supplements".

I agree with the applicant that the fact that an apparently related entity is using the opponent's mark without any indication of a licensing arrangement would to some extent undermine the distinctiveness of the opponent's mark. Unauthorized use will serve to reduce the distinctiveness of registered trade-marks (see Unitel Communications Inc. v. Bell Canada (1995) 61 C.P.R. (3d) 12 at p. 69 (FCTD)). However, it is the distinctiveness of the applicant's trade-mark which is at issue here, and not the distinctiveness of the opponent's mark. As was stated in the decision in MCI Communications (supra) at p. 259 "Although this divided ownership situation may well have a deleterious effect on the opponent's own trade-mark rights, it does not assist the applicant to any significant extent in establishing the distinctiveness of its mark".

In deciding the issue of distinctiveness, I have been guided by the *dicta* of Addy J. in Motel 6, Inc. v. No. 6 Motel Ltd. (1981), 56 C.P.R.(2d) 44 at 58 (FCTD):

On the issue of lack of distinctiveness of a mark, although it must be shown that the rival or opposing mark must be known to some extent at least, it is not necessary to show that it is well known . . . It is sufficient to establish that the other mark [the opponent's mark] has become known sufficiently to negate the distinctiveness of the mark under attack [the applicant's mark].

After reviewing the evidence at hand, I conclude that there is sufficient evidence of sales in Canada over a significant enough period of time to allow me to infer that the trade-mark **EARTHRISE** had acquired a reputation in Canada by the relevant date in association with dietary supplement tablets and powder, and that the opponent has met the evidential onus on it to put the distinctiveness of the applied for mark in issue. The applicant's state of the register evidence indicates that the word **EARTH** is common to the trade. However, the applicant's evidence does not convince me that the differences between the marks as a whole would be sufficient to distinguish the applicant's wares from the wares of others including those of the opponent. As the burden is on the applicant to show its trade-mark to be distinctive, I must find against the applicant. As a result, this ground of opposition is successful.

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

DATED AT HULL, QUEBEC, THIS 12<sup>th</sup> DAY OF DECEMBER, 1997.

Peter C. Cooke,  
Member,  
Trade-marks Opposition Board