

IN THE MATTER OF AN OPPOSITION

By Culinar Inc. to Application Serial No. 873,247

In the Name of National Importers Inc.

For Registration of the Trade-mark CAMELLA

On March 25, 1998, National Importers Limited (now National Importers Inc. and hereinafter referred to as “the applicant”) filed an application (“the application”) to register the trade-mark CAMELLA. The application was based on proposed use in Canada in association with the following wares:

“food products, namely a spread for use in cooking and baking”.

The application was advertised for opposition purposes in the March 10, 1999 edition of the Canadian Trade-marks Journal.

On June 30, 1999, Culinar Inc. filed a Statement of Opposition to the application. The Statement of Opposition was forwarded to the applicant on August 10, 1999.

The first ground of opposition contained in the Statement of Opposition is that the trade-mark is not registrable pursuant to Section 12(1)(d) of the *Trade-marks Act* [“the Act”] because it is confusing with the opponent’s registered trade-marks TMA444815-AH CAMEL! and TMA441509-CAMEL & Design.

The second ground of opposition is that the applicant is not the person entitled to registration of the trade-mark pursuant to Section 16(3)(a) of the Act because, at the date of filing the application, namely March 25, 1998, the trade-mark was confusing with the opponent’s trade-marks AH CAMEL! and CAMEL & Design which had been previously used in Canada by the opponent or its predecessors in title in association with wares and services.

The third ground of opposition is that the trade-mark is not distinctive of the applicant having regard to Section 2 of the Act in view of the adoption, use, and registration of the trade-marks AH CARMEL! and CARMEL & Design by the opponent.

The applicant filed and served a Counter Statement on November 10, 1999 in which it essentially denied all of the opponent's grounds of opposition.

On February 21, 2000, the opponent filed as its evidence a Solemn Declaration of Dino Dello Sbarba, Executive Vice President of Sales and Marketing of the opponent. Mr. Dello Sbarba was not cross-examined on his Declaration.

On September 19, 2000, the applicant filed as its evidence an affidavit of Linda Joyce Elford, a trade-mark searcher, and an affidavit of Casey Wust, Vice President and Chief Operating Officer of the applicant. Neither one of those deponents were cross-examined on their affidavits.

In his Declaration, Mr. Dello Sbarba states that the opponent is in the business of manufacturing, distributing, marketing and selling a variety of food products, including products sold under the trade-mark AH CARMEL!. According to the deponent, the trade-mark AH CARMEL! has been registered in Canada under number TMA444 815 since June 30, 1995 and has been used in Canada since at least as early as May 11, 1995. He states that the opponent, in the promotion and sale of products and services under the trade-mark AH CARMEL!, has had from twenty four to twenty seven million dollars in sales to distributors annually from 1996 to 1999. He further states that products sold under the trade-mark AH CARMEL! are available everywhere in Canada from a variety of sources including grocery stores. He has attached as Exhibit DDS-2 to his affidavit copies of representative invoices showing sales of products under the trade-mark AH CARMEL! to various locations across Canada. Representative packaging displaying the trade-mark AH CARMEL! is attached as Exhibit DDS-3 to his affidavit. Finally, Mr. Dello Sbarba attaches as Exhibit DDS-4 to his affidavit sample promotional

material displaying the trade-mark AH CARMEL! and states that the opponent has spent a minimum of \$100,000 dollars annually since 1995 on publicity and promotions.

In his affidavit, Casey Wust states that the applicant commenced using the trade-mark CARMELLA in Canada in association with a spread for cooking and baking in May of 1999. Attached as Exhibit A to the Wust affidavit is a sample label which, according to the deponent, is affixed to the applicant's CARMELLA product. Mr. Wust states that the applicant has sold its CARMELLA product to grocery stores and food stores throughout Canada including sales in New Brunswick, Nova Scotia, Newfoundland, Quebec, Ontario, Manitoba, Alberta, Saskatchewan, and British Columbia. Attached as Exhibit "B" to his affidavit is a list of stores which purchased the applicant's CARMELLA product from May of 1999 until March of 2000. Attached as Exhibit "C" to the Wust affidavit is a copy of a promotional advertisement displaying the CARMELLA trade-mark. Finally, the deponent states that he is unaware of any instances of confusion, either at the retail or the consumer level between the applicant's CARMELLA product and the products allegedly sold by the opponent under its AH CARMEL! or CARMEL & Design trade-marks.

In her affidavit, Linda Elford, a trade-mark searcher, indicates that the agents for the applicant requested that she conduct a search of the Canadian Trade-marks Office records to locate all registered and pending trade-marks incorporating the letters "CARAM" in connection with "food products". The deponent has attached as Exhibit "A" to her affidavit the results she obtained by conducting such a search on the "CD NameSearch Electronic System" at the Trade-marks Office. Attached as Exhibit "B" to the Elford affidavit are copies of trade-mark registrations and applications appearing on her search report which were obtained from the records of the Canadian Trade-marks Office.

Both the applicant and the opponent filed Written Arguments. No Oral Hearing was conducted.

The material time for assessing the ground of opposition based on Section 12(1)(d) of the Act is the date of this decision [see: *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)]. The material time for assessing the non-entitlement ground of opposition in this case is March 25, 1998, the filing date of the application, [see Section 16 of the Act]. The material time for assessing the issue of distinctiveness is generally accepted to be the date of filing the opposition (in this case, April 30, 1999) [see *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.)].

In support of the grounds of opposition, the opponent, in its Statement of Opposition, referred to its registered trade-mark numbers TMA444, 815-AH CAMEL! and TMA441, 509-CAMEL & Design. While reference is only made to the AH CAMEL! trade-mark in the opponent's evidence and Written Argument, I have nonetheless considered both marks with respect to the grounds of opposition raised in this case.

In assessing whether there is a reasonable likelihood of confusion between the trade-marks in issue within the scope of Section 6(2) of the Act, consideration should be given to all the surrounding circumstances including those which are specifically enumerated in Subsection 6(5) of the Act. The factors enumerated in Section 6(5) of the Act are: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time the marks have been in use; the nature of the wares, services or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. It is, however, axiomatic that the list of surrounding circumstances referred to above is not exhaustive and that it is not necessary to give each factor equal weight [see, for example, *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R.(3d) 483 (F.C.T.D.) and *Gainers Inc. v. Marchildon* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.)]. Further, as noted by Mr. Justice Cattnach in *Beverly Bedding &*

Upholstery Co. v. Regal Bedding & Upholstery Ltd. (1980), 47 C.P.R. (2d) 145, aff'd 60 C.P.R. (2d) 70:

“Realistically appraised it is the degree of resemblance between the trade-marks in appearance, sound or in ideas suggested by them that is the most crucial factor, in most instances, and is the dominant factor and other factors play a subservient role in the over-all surrounding circumstances.”

As for the inherent distinctiveness of the marks in issue, all are dominated by “CAMEL” which is descriptive of the associated wares. There is a plethora of case law which supports the fact that words descriptive of the associated wares cannot be the subject matter of a monopoly of any one trader. For example, in the decision of the House of Lords in *Cleaning Services Ltd. v. Westminster Window & Gen'l Cleaners Ltd.* (1946), 63 R.P.C. 39, Lord Simonds commented as follows [considering the names 'Office Cleaning Services Ltd.' and 'Office Cleaning Association']:

It comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolize the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.

In *General Motors Corp. v. Bellows* (1949), 10 C.P.R. 101, Mr. Justice Rand cited the above passage and held that FRIGIDAIRE was not likely to be confused with FROZENAIRE, notwithstanding that both marks were for use in association with refrigerators.

Further, in *Ultravite Laboratories Ltd. v. Whitehall Laboratories Ltd.* (1965) 44 C.P.R. 189, Spence J., speaking for the Supreme Court of Canada, held that DANDRESS was not confusing with RESDAN, even though both marks were for use in association with dandruff removers. Mr. Justice Spence, cited with approval the *General Motors* case, *supra*, and commented:

It is quite evident that both the words RESDAN and DANDRESS adopt a part of the word dandruff, and, of course, nothing can be more ordinary in the trade than the word “dandruff”. I am of the opinion that the opposition by the respondent to the use of the syllable “dand” would, in the language of Rand J., in *General Motors v. Bellows, supra*, “effect the wholesale appropriation of the only apt language available”.

It is clear from the foregoing that descriptive components of trade-marks are considered weak and that no one trader should be entitled to monopolize a word such as CAMEL in association with food products. Not surprisingly, in view of its descriptive nature, the opponent has disclaimed the right to the exclusive use of the word CAMEL apart from the trade-mark in both of its registrations.

While the opponent’s trade-marks and the applicant’s trade-mark do have a measure of inherent distinctiveness by virtue of their additional elements, the elements in question are relatively minor in relation to the dominance of the word CAMEL and the inherent distinctiveness of each of the marks is therefore relatively low.

The extent to which the marks have become known clearly favours the opponent since, according to the Dello Sbarba Declaration, the AH CAMEL! trade-mark was used extensively in Canada from 1995 to 1998 with sales to distributors in excess of \$75,000,000 and anticipated sales for 1999 of \$27,000,000. While the applied for mark has, according to the Wust affidavit, been used in Canada from May of 1999 to the date of the affidavit (July 27, 2000), no sales figures relating to the CAMELLA product have been provided.

The length of time the marks have been in use also favours the opponent. As noted above, the opponent’s evidence demonstrates use of the AH CAMEL! trade-mark in Canada from 1996 to the date of the Dello Sbarba Declaration (February 16, 2000). According to the Wust affidavit, the applied for mark has been used in Canada for only a little over a year, from May of 1999 to the date of the affidavit (July 27, 2000).

As for the nature of the wares and the nature of the trades of the parties, the applicant's wares are identified in the application as:

“ food products, namely a spread for cooking and baking”.

The opponent’s AH CAMEL! registration describes the wares as:

“snacks and desserts, namely cakes, pastries, danishes, muffins, donuts, granola bars, flaky pastries, and crackers”;

while its CAMEL & Design registration indicates that the wares are:

“food products namely cakes”.

When assessing a Section 12(1)(d) ground of opposition, it is the applicant's and the opponent’s Statements of Wares which must be considered [see: *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), **19 C.P.R. (3d) 3** (F.C.A.) at pp. 10-11; *Henkel Kommanditgesellschaft Auf Aktien v. Super Dragon Import Export Inc.* (1986), **12 C.P.R. (3d) 110** (F.C.A.) at p. 112; and *Miss Universe, Inc. v. Bohna* (1994), **58 C.P.R. (3d) 381** (F.C.A.) at pp. 390-392]. The Statements of Wares are, however, to be read with a view to determining the probable type of business or trade intended by the parties and evidence of the actual trades of the parties may be useful [see *McDonald's Corp. v. Coffee Hut Stores Ltd.* (1996), **68 C.P.R. (3d) 168** (F.C.A.) at p. 169].

In the present situation, it appears from the Dello Sbarba Declaration that the opponent’s trade-mark AH CAMEL! is used in association with ready to eat miniature snack cakes. The applied for trade-mark, according to the application, is for use in association with “...a spread for cooking and baking”. The advertisement attached as Exhibit “C” to the Wust affidavit indicates that the product is “[p]erfect as a spread for toast, or as a compliment to dessert.”. It is clear that the wares of the respective parties, while generally encompassed by the category of “food products”, are different, the opponent’s product being a ready to eat snack or

dessert, the applicant's product being primarily for use as a compliment to other food products.

With respect to the nature of the trades, the products of both parties appear from the evidence to be sold in similar establishments such as grocery stores.

With respect to the degree of resemblance between the trade-marks in issue, the applied for trade-mark and the opponent's trade-marks have some similarity visually, phonetically, and in ideas suggested since "CARMEL" is the dominant component of all of the marks. However, it is trite law that when assessing the likelihood of confusion, marks are to be considered as totalities and not dissected [see, for example *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.) and *Ultravite Laboratories Ltd. v. Whitehall Laboratories Ltd.* (1965), 44 C.P.R. 189 (S.C.C.)]. In the present situation, when the marks in issue are considered in their totalities, I find that the applied for trade-mark is really not that similar to the opponent's trade-marks. This is especially true when one considers that, as noted above, in the case of marks dominated by words in common use, comparatively small differences will be sufficient to distinguish them.

As an additional surrounding circumstance, the applicant has submitted the Elford affidavit in an attempt to show that there are a number of third party marks which include the element "CARAM" in the Canadian Trade-marks Office database which are for use in association with food products. The case law is clear that "state of the register" evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R.(3d) 432 (TMOB) and *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R.(3d) 205 (F.C.T.D.). The case *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R.(3d) 349 (F.C.A.) supports the proposition that inferences about the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.

Included in Exhibit B to the Elford affidavit are a number of third party marks which incorporate the word CAMEL (or slight variations) and which are for use in association with food products. For example, the following registrations are revealed: 18 CARA-MEL for chocolate (Reg. No. TMA441,640); CAMEL CONE EXPLOSION for ice cream (Reg. No. 424,692); CAMEL PECANBON for bakery goods (Reg. No. TMA522,307); CAMEL WHIRLS for candy (Reg. No. TMA457, 697); CAMELLO for chocolate bars (TMA210, 706); CAMEL MILK for chocolate bars and ice cream confections (Reg. No. UCA10536); CAMELIUM for a butterscotch flavour topping (Reg. No. TMA259, 211); CAMELOOMEL for a milk based food spread which can also be used as a filling or topping (Reg. No. TMA384, 586); JUNIOR CAMELS for candies (Reg. No. TMA377, 168); JERSEY CAMELS for chocolate bars (Reg. No. TMA208, 400); MIGHTY CAMEL for frozen confections and novelties (Reg. No. TMA 455, 552); SHIRIFF BEURRE DE CAMEL SPREAD & Design for caramel spreads (Reg. No. TMA383, 102); SUPER CAMEL CRUNCH for cakes (Reg. No. TMA520, 752). While the applicant has not provided any evidence of use of these marks in the marketplace, I am prepared to infer, on the basis of the relatively large number of marks revealed, that a number of those marks are likely in use.

The fact that there is a significant number of third party marks incorporating the word CAMEL (or slight variations) which are for use in association with food products, reduces the ambit of protection to be afforded to the opponent's mark. Similar state of the register evidence was referred to in the decision *Cara Operations Ltd. v. Lowney's Ltd.* (1976), 27 C.P.R. (2d) 265, wherein the Acting Registrar of Trade-marks commented:

“It is apparent from the state of the register and the evidence filed in these proceedings that “Cara” is in common use as part of a mark applied to confections. The mark CARA, used as a portion of marks associated with confections, is the first portion of the word caramel. Caramel is a sweet which appeals to the taste of many purchasers of confections. In view of the many registrations having the prefix “cara” and the use of many marks including the prefix “cara” in association with confections and in view of the difference between the marks CARA & Design and the mark CARA-CORN,

I find that I find that the applicant's mark CARA-CORN as applied to the wares candied popcorn is not likely to cause confusion in Canada with the opponent's mark CARA & Design as applied to mixed nuts, peanuts, cashews. With respect to the use of the mark CARA in association with chocolate bars, I find that such use was not made by the opponent. In the event that I am incorrect and the opponent has used the mark CARA in association with chocolate bars, it is my opinion that in view of the state of the register and in view of the common use of "Cara" as a portion of marks used by different manufacturers in Canada to distinguish their confections, I find that the applicant's mark CARA-CORN would not be confusing with the mark CARA used in association with chocolate bars by the opponent.”

In the present situation, I find that the results of the Elford search support my earlier conclusion that the CARMEL component of the trade-marks in issue is weak and that no one trader should be entitled to claim a monopoly in it for use in association with food products.

As a final surrounding circumstance, the applicant has submitted that the fact that Mr. Wust stated in his affidavit that he was unaware of any incidents of confusion between the trade-marks should weigh in favour of the applicant. However, it is not clear from the Wust affidavit whether the applicant has a mechanism in place for reporting such incidents of confusion. That fact, combined with the fact that there is no real evidence of contemporaneous sales of the applicant's and the opponent's products in Canada, leads me to conclude that Mr. Wust's observation to this effect should be given little weight.

In its Written Argument, the applicant has referred to *Salada Foods Ltd. v. John MacIntosh & Sons Ltd.* (1964), 43 C.P.R. 230, wherein this Board rejected an opposition by the owner of the trade-mark CARAMIA, which was for use in association with wafers, to an application to register CARAMAC in association with cakes, biscuits, cookies, crackers, toppings, and fillers therefor. In that case, the Registrar of Trade-marks at the time held that the dominant portion of both marks was derived from the word “caramel” and that the differences in the trade-marks, residing in their respective suffixes, was sufficient to distinguish them. Similarly, in

the present situation, I consider that the differences in the trade-marks are sufficient to distinguish them.

The opponent, in its Written Argument, has suggested that the applicant has simply taken the most distinctive part of the opponent's AH CARMEL! trade-mark ("AH") and placed it at the end of its mark. While trade-marks with inverse components may, in some circumstances, be confusing, I do not find that argument to be particularly persuasive in the present situation, especially since the applicant's trade-mark is "CARMELLA" and not "CARMEL AH".

After a consideration of all the surrounding circumstances, and, in particular, the fact that the only common element between the marks is the descriptive CARMEL, I find that the applicant has met the legal burden upon it of establishing that there would be no reasonable likelihood of confusion with the opponent's registered trade-marks. I have accordingly rejected the ground of opposition based on Section 12(1)(d) of the Act.

As for the second ground of opposition, in order to satisfy its evidential burden with respect to the Paragraph 16(3)(a) ground of opposition, the opponent must file sufficient evidence to show that its marks were used prior to the applicant's filing date (in this case, March 25, 1998). Further, Subsections 16(5) and 17(1) of the Act place a burden on the opponent to establish non-abandonment of its trade-marks as of the date of advertisement of the applicant's application (in this case, March 10, 1999). The opponent's evidence makes no reference to its CARMEL & Design trade-mark which is the subject matter of registration number TMA441509 but it does clearly show that its AH CARMEL! trade-mark had been in use in Canada since prior to the applicant's filing date and that it had not been abandoned as of the date of advertisement of the applicant's trade-mark.

For the most part my earlier comments with respect to the likelihood of confusion are applicable to this ground as well, the main exception being that, according to the applicant's evidence, there had been no use of the applied for trade-mark at the

relevant time for considering this ground of opposition (the filing date of March 25, 1998). Thus, while a consideration of the extent to which the marks had become known and the length of time they had been in use is even more favourable to the opponent when considering the Section 16 ground of opposition, I am nonetheless of the opinion that a consideration of all the surrounding circumstances leads to the conclusion that there is no likelihood of confusion between the marks in issue. Thus, I reject the opponent's second ground of opposition as well.

The third and last ground of opposition is that the applicant's trade-mark is not distinctive since it is not adapted to distinguish the wares of the applicant from the wares of the opponent. Once again, although the applicant's evidence indicates that there was no use of the applied for trade-mark at the material time for considering this ground of opposition, I am nonetheless of the opinion that a consideration of all the surrounding circumstances leads to the conclusion that there is no likelihood of confusion between the marks in issue and that this ground of opposition should be rejected as well.

For the foregoing reasons, having been delegated authority by the Registrar of Trade-marks by virtue of Section 63(3) of the Act, I reject the opponent's opposition pursuant to Subsection 38(8) of the Trade-marks Act.

DATED IN GATINEAU, QUEBEC, AUGUST 5, 2004

Jennifer McKay
Hearing Officer,
Trade-marks Opposition Board