0 **IN THE MATTER OF AN OPPOSITION**
by Cadbury Trebor Allan Inc. to application no. 891,436 for the trade-mark M&M'S CROUSTILLANTS filed by Effem Inc.

On September 24, 1998 the applicant Effem Inc. filed an application to register the trade-mark M&M'S CROUSTILLANTS based on proposed use in Canada in association with "candy." The applicant subsequently submitted a revised application disclaiming the right to the exclusive use of the word CROUSTILLANTS apart from the mark as a whole. In this regard, "croustillant" is a word in the French language meaning "crispy" or "crunchy." The subject application was advertised in the *Trade-marks Journal* issue dated September 29, 1999 and was opposed by Cadbury Confectionary Canada Inc. on November 29, 1999. The Registrar forwarded a copy of the statement of opposition to the applicant on December 7, 1999. The applicant responded by filing and serving its counter statement. The opponent was subsequently granted leave to submit a revised statement of opposition: see the Board ruling dated January 24, 2002.

The first ground of opposition, pursuant to Section 30(e) of the *Trade-marks Act*, alleges that the applicant did not intend to use the mark M&M'S CROUSTILLANTS but rather intended to use the mark CRISPY CROUSTILLANTS M&M'S or the mark CROUSTILLANTS M&M'S.

The second ground of opposition, pursuant to Section 30(i) of the *Act*, alleges that the applicant could not have been satisfied of its entitlement to use and register the applied for mark

as the applicant was aware of the opponent's mark CROUSTILLANTS, regn. no. 396,795, used in association with chocolate candy.

The third ground of opposition, pursuant to Section 12(1)(d) of the *Act*, alleges that the applied for mark M&M'S CROUSTILLANTS is confusing with the opponent's above mentioned mark CROUSTILLANTS.

The fourth ground of opposition, pursuant to Section 16(3) of the *Act*, alleges that the applicant is not entitled to register the applied for mark M&M'S CROUSTILLANTS because, at the date of filing the application (September 24, 1998), the applied for mark was confusing with the opponent's previously used mark CROUSTILLANTS.

Lastly, the opponent alleges that the applied for mark M&M'S CROUSTILLANTS is not distinctive or adapted to distinguish the applicant's wares from the wares of the opponent in view of the similarities between the parties' marks and the similarities in the parties' channels of trade.

The opponent's evidence consists of the affidavit of Tannis Critelli, a manager with the opponent company. The applicant's evidence consists of the affidavits of Sally Anne Hinton, trade-mark coordinator for the applicant company; Linda Victoria Thibeault, a trade-mark searcher; and Michal Niemkiewicz, student at law. The opponent did not submit evidence in reply and neither party cross-examined on the affidavit testimony. Both parties submitted a written argument and both were ably represented at an oral hearing.

Ms. Hinton's affidavit evidence, filed on behalf of the applicant, may be summarized as follows. The applicant is the owner of "the well-known M&M's trade-marks, which it uses in association with its popular M&M's confectionary products. These products are amongst the best-selling confectionary products in Canada." In January 1999, the opponent began to sell in Canada confectionary product under its mark M&M'S CRISPY and M&M'S CROUSTILLANTS. Since March 1999, the opponent has spent more than $2.4 million advertising its confectionary products sold under its mark M&M's CROUSTILLANTS. Such advertising has included point-of-sale, print media and television. Since 1999, the opponent has sold in excess of $10 million worth of product under its mark M&M'S CROUSTILLANTS. Attached as exhibits to Ms. Hinton's affidavit are various examples of packaging and advertising for its confection product, two of which are shown below:

As noted by the opponent, there is a dearth of examples of the applied for mark appearing in the form M&M'S CROUSTILLANTS, that is, with the component M&M'S preceding the component CROUSTILLANTS. The usual manner of presentation, as shown in exhibit material, is to have the component CROUSTILLANTS preceding the component M&M'S and to have the component CROUSTILLANTS appearing in a different and diminutive font, often together with the word "crispy." There are some examples of the form M&M'S CROUSTILLANTS appearing in Ms. Hinton's evidence (page 2 of exhibit B; exhibits K and J), however, the form M&M'S CROUSTILLANTS does not appear in any of the exhibit material which illustrates the applicant's product packaging.

Ms. Critelli's affidavit evidence, filed on behalf of the opponent, may be summarized as follows. The mark CROUSTILLANTS has been used by the opponent, its predecessors in title and licensees, in association with chocolate coated peanut butter pieces since at least 1975. The mark appears on product packaging as shown below:

and as shown below for bulk sales:

WILLOWCRISP is the corresponding English trade-mark for the same confectionary product.

The opponent's CROUSTILLANTS product is sold in Canada through mass merchandisers including Zellers and WalMart, through drug stores including Pharmaprix, through grocery stores, gas station convenience stores and specialty stores including Toys 'R' Us and Home Hardware. Wholesale sales in Canada for the opponent's CROUSTILLANTS product averaged about $2.26 million annually for the period 1995-1999 inclusive. The opponent advertises its CROUSTILLANTS product through flyers and in-store displays. While the mark CROUSTILLANTS appears on product packaging throughout Canada, advertising for the mark is limited to Quebec owing to its French language appeal. Such advertising expenditures amounted to $34,600 in 1999 and had reached $44,3000 as of October 1, 2000.

The Thibeault and Niemkiewicz affidavits, filed on behalf of the opponent, are not particularly helpful to either party.

The first ground of opposition is based on Section 30(e) of the *Act*, the opponent alleging that the applicant did not intend to use the applied for mark in Canada. The material date to

assess issues arising under Section 30(e) is the filing date of the application, namely May 20, 1993: see *Canada National Railway Co. v. Schwauss* (1991), 35 C.P.R. (3d) 90 (TMOB). An initial evidential burden rests on the opponent to raise sufficient doubts respecting the applicant's compliance with Section 30: see *Joseph E. Seagram & Sons Ltd. v. Seagram Real Estate Ltd.* (1984), 3 C.P.R. (3d) 325 (TMOB). The evidential burden is light respecting the issue of noncompliance with Section 30(e) of the *Act* as the facts at issue may be exclusively in the possession of the applicant: see *Schwauss*, above, at page 95 and see *Green Spot Co. v. J.B. Food Industries* (1986), 13 C.P.R. (3d) 206 at pp. 210-211 (TMOB). The evidence required to put compliance with Section 30(e) into issue does not necessarily have to be filed by the opponent: see *Labatt Brewing Co. Ltd. v. Molson Breweries, A Partnership* (1996), 68 C.P.R. (3d) 216 at pp. 230-232 (F.C.T.D.). The purpose and application of Section 30(e) has been discussed in *Hunter Douglas Canada Ltd. v. Flexillume Inc.* (1983), 78 C.P.R. (2d) 212 at pp. 222-223 (TMOB).

In the instant case the applicant has provided numerous examples of what it considers to be use of the applied for mark M&M'S CROUSTILLANTS: see paragraph 3 of Ms. Hinton's affidavit. However, the examples shown are not precisely the phrase M&M'S CROUSTILLANTS. Rather, as illustrated earlier, the component CROUSTILLANTS appears (i) in a diminutive script, (ii) in a different font, and (iii) precedes the component M&M'S. As noted by this Board in *Nightingale Interloc v. Prodesign Ltd.* (1984), 2 C.P.R.(3d) 535 at 538:

> The jurisprudence relating to the question
> of what deviations in a trade mark are permissible
> is complicated and often contradictory but in my
> opinion it is best viewed as establishing

two basic principles:

Principle 1

> Use of a mark in combination with additional material constitutes use of the mark *per se* as a trade mark if the public, as a matter of first impression, would perceive the mark *per se* as being used as a trade mark. This is a question of fact depending on such factors as whether the 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 purely descriptive matter or as a separate trade mark or trade name...

Principle 2

> A particular trade mark will be considered as being used if the trade mark actually used is not substantially different and the deviations are not such as to deceive or injure the public in any way...In general...this principle would appear applicable only where the variations are very minor.

In the instant case both of the above referenced principles come into play. Firstly, considering the prominence given to the component M&M'S on product packaging and that the diminutive term CROUSTILLANTS precedes the term M&M'S, I am unable to accept that the typical consumer would perceive that the phrase M&M'S CROUSTILLANTS is intended to identify the applicant's product. Secondly, I consider that the "mark" actually used by the applicant, as illustrated in exhibits to Ms. Hinton's affidavit, is not simply a very minor variation of the phrase M&M'S CROUSTILLANTS. The positioning of the term CROUSTILLANTS on product packaging, and its low prominence, implies a descriptive use of the word "croustillants" (to French speaking Canadians) or arguably use of the mark CROUSTILLANTS M&M'S. Given that the opponent's evidential burden is relatively light, and that the applicant has not provided a

satisfactory answer as to why the applied for mark in the form M&M'S CROUSTILLANTS is not being used in the marketplace, I find that the opponent succeeds on the first ground of opposition.

In the event that I am wrong in my assessment of the Section 30(e) ground of opposition, I will consider the remaining grounds of opposition on the assumption that the applicant's evidence shows use of the applied for mark M&M'S CROUSTILLANTS.

The remaining grounds of opposition turn on the issue of confusion between the applied for mark M&M'S CROUSTILLANTS and the opponent's mark CROUSTILLANTS. The material dates to assess the issue of confusion are the date of filing the application (September 24, 1998) with respect to the second and fourth grounds of opposition; the date of my decision with respect to the third ground; and the date of filing the statement of opposition (November 29, 1999) with respect to the last ground: for a review of case law concerning material dates in opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 C.P.R.(3d) 198 at 206 - 209 (F.C.T.D.). However, in the circumstances of this case, nothing turns on whether the issue of confusion is assessed at any particular material date.

The legal onus is on the applicant to show that there would be no reasonable likelihood of confusion, within the meaning of Section 6(2) of the *Act*, between the applied for mark M&M'S CROUSTILLANTS and the opponent's mark CROUSTILLANTS. The presence of an onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then

the issue must be decided against the applicant: see *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R.(3d) 293 at 297-298 (F.C.T.D.). The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in Section 6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

The opponent's mark CROUSTILLANTS possesses little, if any, inherent distinctiveness notwithstanding that it is a registered mark. In my view the mark CROUSTILLANTS is descriptive, if not clearly descriptive, of the applicant's confection product. It is a weak mark. Nevertheless, the opponent's mark would have acquired some reputation, at all material times, through sales and advertising under its mark. The applied for mark M&M'S CROUSTILLANTS possesses a somewhat greater degree of inherent distinctiveness than the opponent's mark owing to the first component M&M'S. Nevertheless, the opponent's mark is also a weak mark as a sequence of letters of the alphabet is inherently weak. The applied for mark M&M'S CROUSTILLANTS would have acquired some reputation after January 1999 through sales and advertising under the mark. The length of time that the marks in issue have been in use favours the opponent as the opponent has been using its mark since 1975. The nature of the parties'

wares are essentially the same and in the absence of evidence to the contrary I assume that the parties' channels of trade would also be the same or strongly overlapping. The similarity between the parties' marks owes to the marks sharing the French word "croustillants." However, as noted by the applicant at pages 9 - 10 of its written argument:

> Mr. Fox submitted this basic consideration: that where a party has reached inside the common trade vocabulary for a word mark and seeks to prevent competitors from doing the same thing, the range of protection to be given him should be more limited than in the case of an invented or unique or non-descriptive word; and he has strong judicial support for that proposition: *Office Cleaning Services Ltd. v. Westminster Window & Gen'l Cleaners Ltd.* (1994), 61 R.P.C. 133 at p.135; (1946), 63 R.P.C.39; *Br. Vacuum Cleaner Co., v. New Vacuum Cleaner Co.,* [1907] 2 Ch. 312 at p. 321; *Aerators Ltd v. Tollitt*; [1902] 2 Ch. 319. In *Office Cleaning Services,* 63 R.P.C. at p. 43, Lord Simonds used this language: "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 consist wholly or in parts of words descriptive of the articles to be sold or the services to be rendered.

The full citation for the case mentioned in the above excerpt is *General Motors Corp v. Bellows* (1949), 10 C.P.R. 101 (S.C.C.) at page 115.

I agree with the applicant that the opponent has adopted for its mark a common French word that is appropriate to describe confectionary items. Thus, as discussed earlier, the

opponent's mark is a weak mark. As noted in *GSW Ltd v. Great West Steel Ltd.* (1975), 22 C.P.R.(2d) 154 (F.C.T.D.) at 163 " . . . in the case of weak marks possessing little inherent distinctiveness, small differences may be accepted to distinguish one from the other . . ." In the instant case, the prefix M&M'S, although also inherently weak, suffices to distinguish the applied for mark from the opponent's mark. In view of the foregoing, I find that the parties' marks are not confusing at any material time. Thus, the second, third, fourth and last grounds of opposition are rejected.

Having regard to my earlier finding regarding the first ground of opposition, the subject application is refused.

DATED AT VILLE DE GATINEAU, QUEBEC, THIS 6th DAY OF JULY, 2004.

Myer Herzig,
Member,
Trade-marks Opposition Board