

**IN THE MATTER OF AN OPPOSITION by
Natursource Inc. to Application No. 1010709 for
the trade-mark NATURE'S SOURCE filed by
Nature's Source Inc.**

I The Proceedings

On April 1, 1999 Nature's Source Inc. (the "Applicant") filed an application to register the trade-mark NATURE'S SOURCE (the "Mark") based on use in Canada since at least March 2, 1998 for certain wares and services and based on proposed use in association with other services.

The application was first amended on November 29, 2006 to delete all of the wares and to amend the list of services. At the opposition oral hearing the Applicant filed a further revised application, which I accepted, and thus the list of services now reads:

- (1) Retail store services specializing in the sale of nutritional supplements, vitamins and mineral supplements, herbal supplements, and diet and weight loss products, fitness products, excluding cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes, and cookies.
- (2) Health care services namely; nutrition consulting services; naturopathic and homeopathic consulting, aromatherapy, chiropractic, iridology, massage, reflexology, shiatsu, and weight loss.
- (3) Franchising services; namely, offering technical assistance in the establishment and/or operation of retail shops specializing in clinical services and the sale of nutritional supplements, vitamins and mineral supplements, herbal supplements, fibre products, and diet and weight loss products, excluding cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes, and cookies.
- (4) E-Commerce services namely; designing and operating an electronic store offering a full range of natural health and beauty products, excluding cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes, and cookies;

hereinafter collectively referred to as the "Services".

The Mark has been used in Canada since at least March 2, 1998 in association with services (1) and (2) and the application is based on proposed use with respect to services (3) and (4).

The application was advertised on November 6, 2002 in the *Trade-marks Journal* for opposition purposes. Natursource Inc. (the “Opponent”) filed a statement of opposition on August 6, 2003 and the Registrar forwarded it on October 17, 2003 to the Applicant.

The Applicant filed on July 13, 2004 a counter statement denying essentially all grounds of opposition pleaded.

The Opponent filed the affidavits of Gary J. Obertfield and Caroline Guy. The Applicant filed the affidavits of Sanjiv Jagota and James Haggerty. The Registrar issued an order for the cross-examination of Gary J. Obertfield and Caroline Guy and the transcripts of such cross-examinations have been filed.

The Opponent filed as additional evidence a second affidavit of Gary J. Obertfield. Both parties submitted written arguments and were represented at an oral hearing.

II The Grounds of Opposition

The grounds of opposition are:

1. The application does not comply with the requirements of s. 30(b) of the *Trade-marks Act*, R.S.C. 1985 c. T-13 (the “Act”) in that the Applicant has not used the Mark as alleged as of the date of first use claimed in association with the services (1) and (2);
2. The application does not comply with the requirements of s. 30(i) of the Act in that the Applicant could not have been satisfied that it was entitled to use the Mark in Canada;
3. The Mark is not registrable pursuant to the provisions of s. 38(2)(b) and 12(1)(d) of the Act in that the Mark is confusing with the Opponent’s registered trade-marks NATURSOUCE, TMA278931 and MULTI-NATURE, TMA345947;
4. The Applicant is not the person entitled to the registration of the Mark pursuant to the provisions of s. 38(2)(c) and 16(1)(c) of the Act because at the relevant date, in so far as services (1) and (2) are concerned, the Mark was confusing with the trade-names NATURSOUCE INC. and NATURSOUCE which had been previously used in Canada by the Opponent in association with the business of manufacturing natural food since at least 1980 and in association with the selling of the wares identified in the certificates of registration for the mark NATURSOUCE since at least as April 1, 1980 and for the mark MULTI-NATURE since at least as November 1, 1982 and which had not been abandoned at the date of advertisement of the Applicant’s application;
5. The Applicant is not the person entitled to the registration of the Mark pursuant to the provisions of s. 38(2)(c) and 16(3)(c) of the Act because at the relevant date, in so far as

services (3) and (4) are concerned, the Mark was confusing with the trade-names NATURSOOURCE INC. and NATURSOOURCE which had been previously used in Canada by the Opponent in association with the business of manufacturing natural food since at least 1980 and in association with the selling of the wares identified in the certificates of registration for the mark NATURSOOURCE since at least as April 1, 1980 and for the mark MULTI-NATURE since at least as November 1, 1982 and which had not been abandoned at the date of advertisement of the Applicant's application;

6. Pursuant to s. 38(2)(d) and s. 2 of the Act, the Applicant's Mark is not distinctive of the Applicant because it is not capable of distinguishing the Services from the wares and services of others, particularly from the wares enumerated in the Opponent's certificates of registration for the trade-marks NATURSOOURCE and MULTI-NATURE and from the Opponent's trade-names referred above.

II General Principles Applicable to all Grounds of Opposition

The Applicant has the legal onus to show that its application complies with the provisions of the Act, but there is however an initial evidential 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. Once this initial burden is met, the Applicant still has to prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [see *Joseph E. Seagram & Sons Ltd. et al v. Seagram Real Estate Ltd.*, 3 C.P.R. (3d) 325, at pp. 329-330; *John Labatt Ltd. v. Molson Companies Ltd.*, 30 C.P.R. (3d) 293 and *Wrangler Apparel Corp. v. The Timberland Company*, [2005] F.C. 722].

The relevant date for the analysis of each ground of opposition varies depending on the ground of opposition to be assessed:

- Non-compliance with the requirements of s. 30 of the Act: The filing date of the application (April 1, 1999);
- The registrability of the Mark under s. 12(1)(d) of the Act: The date of the Registrar's decision [see *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 424 (F.C.A)];
- Entitlement to the registration of the Mark, where the application is based on proposed use: The filing date of the application (April 1, 1999) while for the portion of the

application based on use: The date of first use (March 2, 1998) [see s. 16(1) and (3) of the Act];

- Distinctiveness of the Mark: The filing date of the statement of opposition (August 6, 2003) is generally accepted to be the relevant date [see *Andres Wines Ltd. and E & J Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

III Grounds of Opposition under s. 30 of the Act

The evidence filed by the Opponent does not address the issue of non-use of the Mark as of the claimed date of first use mentioned in the application. Moreover, the Applicant's evidence, that could be used to the Opponent's benefit to meet its light initial onus, does not contain any information or documents that could raise serious doubts as to the claimed date of first use of the Mark in association with services (1) and (2). Therefore the first ground of opposition is dismissed.

As for the second ground of opposition, as drafted, it does not constitute a proper ground of opposition. Moreover the requirement under s. 30(i) of the Act is to include, in the application, a statement that the Applicant is satisfied that it is entitled to use the Mark in Canada in association with the Services. Such statement was included in the original application as well as in the subsequent revised applications. Therefore the second ground of opposition is also dismissed.

IV Registrability of the Mark

The Opponent is alleging that the Mark is not registrable pursuant to s. 12(1)(d) of the Act as it is confusing with its registered trade-marks:

- NATURSOOURCE, TMA278931 in association with cereals, granola cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes, cookies;
- MULTI-NATURE, TMA345947 in association with foods products, namely, cereals, vegetable patty mixes.

The Opponent has satisfied its initial burden with respect to this ground of opposition by filing a certified copy of registration TMA278931 through the affidavit of Ms. Caroline Guy, an employee of the Opponent's agents firm. I note that no certificate of registration has been filed with respect to the trade-mark MULTI-NATURE. Notwithstanding the fact that the Registrar has discretion to verify the state of the register, I consider that the Opponent's best-case scenario is with its registered trade-mark NATURSOURCE. Therefore I shall simply determine, on a balance of probabilities, if the Mark is likely to cause confusion with the Opponent's registered trade-mark NATURSOURCE. If the Opponent were not successful under the mark NATURSOURCE, it would also be unsuccessful when considering the mark MULTI-NATURE.

The test to determine this issue is set out in s. 6(2) of the Act and I must take into consideration all the relevant surrounding circumstances, including those listed in s. 6(5): the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; the length of time the trade-marks or trade-names 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 or trade-names in appearance, or sound or in the ideas suggested by them. Those criteria are not exhaustive and it is not necessary to give each one of them equal weight [see *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.)]. I refer also to the decision of the Supreme Court of Canada in *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 for an analysis of those criteria. In that particular judgment Mr. Justice Binnie commented in these words on the assessment of the criteria enumerated under s. 6(5) of the Act to determine the likelihood of confusion between two trade-marks:

Within the "all the surrounding circumstances" test, s. 6(5) of the Act lists five factors to be considered when making a determination as to whether or not a trade-mark is confusing. These are: "(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". The list of circumstances is not exhaustive and different circumstances will be given different weight in a context-specific assessment. See *Gainers Inc. v. Marchildon* (1996), 66 C.P.R. (3d) 308 (F.C.T.D.). In opposition proceedings, as stated, the onus is on the

applicant (here the respondent) to show on a balance of probabilities that there is no likelihood of confusion.

(...)

What, then, is the perspective from which the likelihood of a “mistaken inference” is to be measured? It is not that of the careful and diligent purchaser. Nor, on the other hand is it the “moron in a hurry” so beloved by elements of the passing-off bar: *Morning Star Co-Operative Society Ltd. v. Express Newspapers Ltd.*, [1979] F.S.R. 113 (Ch. D.), at p. 117. It is rather a mythical consumer who stands somewhere in between, dubbed in a 1927 Ontario decision of Meredith C.J. as the “ordinary hurried purchasers”: *Klotz v. Corson* (1927), 33 O.W.N. 12 (Sup. Ct.), at p. 13. See also *Barsalou v. Darling* (1882), 9 S.C.R. 677, at p. 693. In *Delisle Foods Ltd. v. Anna Beth Holdings Ltd.* (1992), 45 C.P.R. (3d) 535 (T.M.O.B.), the Registrar stated at p. 538:

When assessing the issue of confusion, the trade marks at issue must be considered from the point of view of the average hurried consumer having an imperfect recollection of the opponent’s mark who might encounter the trade mark of the applicant in association with the applicant’s wares in the market-place.

It is with these general principles in mind that I shall review the pertinent evidence and assess each relevant factor identified above.

The Mark is not inherently distinctive. The combination of the words “nature” and “source” when used in association with the Services is suggestive of the services (1) as the Mark suggests that the retail stores sell products that have a natural origin. The Opponent’s registered trade-mark NATURSOOURCE is a coined word but is also suggestive of the Opponent’s wares.

The degree of distinctiveness of a trade-mark can be enhanced through use or if made known in Canada.

Mr. Obertfield has been the Opponent’s President since 1980. He alleges that the Opponent specializes in manufacturing natural food since 1980. He states that the Opponent purchases natural, pareve Kosher, genetically modified organism free, and trans fat free ingredients. Such commitment has been recognized by different organizations such as the Jewish Community Council of Montreal and the Quality Assurance International. The certificate issued by the Quality Assurance International and filed in the record does refer to products bearing the trade-mark NATUR SOURCE. I note that it is written in two words but in view of the principles

enunciated in *Promafil Canada Ltd. v. Munsingwear Inc.* (1992), 44 C.P.R. (3d) 59 I do not consider such deviation to constitute reference to a different trade-mark.

He states that the Opponent has been using its registered trade-mark NATURSOUCE since April 1, 1980 in Canada in the normal course of trade in association with cereals, granola cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes and cookies. He provides the yearly sales figures in Canada of the products bearing such trade-mark since 1981 up to and including 2004 as well as the yearly advertising expenses spent between 1985 and 2004. The yearly sales since 1998 have been over \$2.5 million and the advertising expenses since 2000 have been more than \$100,000. The total sales between 1981 and 2004 are more than \$44 million. Sample invoices filed demonstrate that those sales occurred throughout Canada.

He filed samples of tags and labels as well as bags and boxes in which the Opponent's products are distributed, all of which bear the trade-mark NATURSOUCE. He also filed samples of advertisements and separate labels bearing the trade-name Natursource Inc. Finally he filed extracts from the Opponent's website developed in 2005.

In his cross-examination he admits that the trade-mark appearing on the packaging consists of a design which includes a stylized bigger S. The same holds true for the trade-mark appearing on the invoices and the web pages filed. However, I do not consider such use to be use of a different trade-mark. In any event, the Opponent's certificate of registration issued for the word mark "natursource". The Opponent is at liberty to use its trade-mark in any stylized form; as long as the predominant portion of the trade-mark used as a whole is "natursource", which is the case here, use of the stylized form will qualify as use of the word mark..

His second affidavit deals mainly with the issue of new requirements for food labelling and advertising as well as policies, which came into effect on December 12, 2005, that apply to statements and claims made in relation to food items. He filed samples of bags complying with the new requirements and showing use of the trade-mark NATURSOUCE and the trade-names Natursource Inc. and Natursource.

Mr. Jagota is the Applicant's president and CEO since 1998. The Applicant operates retail stores and dispensaries-clinics in Ontario. The retail stores specialize in the supplement business, selling nutritional supplements, vitamins and mineral supplements, herbal supplements, diet and weight loss products, and fitness products.

He states that the Applicant has used the Mark in Canada in association with the Services. He states that the retail stores have served approximately 400,000 customers since 1998.

He provides the yearly sales figures of the retail stores between 1998 and 2005. They went from \$1.2 millions in 1998 to \$2,9 millions in 2005. He also provides the advertising expenses for about the same period that went from over \$50,000 in 2000 to approximately \$245,000 in 2005. The Applicant's retail stores are located in Ontario only.

Samples of advertising material published in regional newspapers as well as sample advertising on billboards, signs and posters were attached to his affidavit. He also produced samples of advertisements for seminars and events sponsored by the Applicant.

He filed copies of articles discussing the Applicant's business but we have no information as to when and where those articles were published. He alleges that he attended trade shows without identifying them. He filed samples of different bags and tags used in the Applicant's retail stores bearing the Mark. The Applicant publishes a newsletter dealing with various health related issues and has filed samples of it.

He filed samples of leaflets distributed to the Applicant's clients. He finally produced other printed material on which the Applicant's Mark appears such as: brochures, flyers, letters to practitioners, gift certificates, prescription reports and mailing list forms.

From this evidence I conclude that the Opponent's trade-mark was more known than the Mark. The number of years the Opponent's trade-mark has been in use, the total sale figures and the territory covered by the Opponent all favour it. Therefore the criteria described under s. 6(5)(a) of the Act favours the Opponent.

The length of time the trade-marks have been in use also favours the Opponent.

As for the nature of the wares and services and their channels of trade, I shall summarize the relevant evidence.

The Opponent's products sold in Canada in association with its trade-mark NATURSOUCE are cereals, granola cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes and cookies. They are sold in supermarkets, corner stores, groceries, health food stores, vending machines, pharmacies, airline companies, food service operators, gift baskets for companies. The Applicant's Services are provided to a client base being practitioner driven (medical doctors, chiropractors, naturopathic doctors, homeopathic doctors). Each location operated by the Applicant features onsite therapists, nutritionists, naturopaths and biochemists.

There has been an issue with respect to the admissibility of some of the allegations contained in Ms. Guy's affidavit, an employee of the Opponent's agent firm, and more particularly the content of a telephone conversion she had with a person that answered the phone when she called one of the stores operated by the Applicant. The Opponent, through this evidence, is trying to establish that cereals are offered for sale in the Applicant's stores. Mr. Jagota alleges that the Applicant does not sell cereals anymore and intends not to do so in the future.

I agree with the Applicant that the content of the telephone conversion between Ms. Guy and presumably an employee of the Applicant is inadmissible evidence. The content of the conversation relates to a disputed issue and such evidence cannot be introduced through a member of the Applicant's staff. [See *Cross-Canada Auto Body Supply (Windsor) Limited v. Hyundai Auto Canada* (2006), 53 C.P.R. (4th) 286]. In any event, the main focus should be on the Services as described in the application versus the wares sold by the Opponent in association with the trade-mark NATURSOUCE.

There is some overlap between the Opponent's products, which are food items, and the retail store services specializing in the sale of nutritional supplements, vitamins and mineral

supplements, herbal supplements, and diet and weight loss products and fitness products. I do not consider the services described under (2) above to overlap with the Opponent's products as they are professional in nature. As for the services described under (3) and (4), because they refer to the sale of "nutritional supplements, vitamins and mineral supplements, herbal supplements, and diet and weight loss products and fitness products", there could be some overlapping.

As for the nature of the parties' respective trade, one must not distinguish them on the simple basis that the Opponent sells wares while the Applicant offers services. If there exists a relationship between the Opponent's wares and the Applicant's Services there could be an overlap in the parties' respective trades. The wares sold by the Opponent in association with the trade-mark NATURSOURCE could fall in the general category of food diet and fitness products. They are in fact sold in health food stores. The exclusion added by the Applicant that covers specifically the products sold by the Opponent does not eliminate such potential overlap. Therefore those factors, in so far as services (1), (3) and (4) are concerned favour the Opponent.

Phonetically and visually the marks resemble one another. The ideas suggested by them, even though not identical, do have some similarities, namely that the Opponent's wares and the Applicant's Services have a natural origin. This factor also favours the Opponent.

The Applicant argues two additional factors: the state of the register evidence and the fact that there has been no evidence provided by the Opponent of instances of confusion despite the coexistence of the marks during a period of more than nine (9) years.

As for the latter, it has already been mentioned that the Applicant's stores, most if not all of them, are located in Southern Ontario, thus reducing the possibility of an instance of confusion being brought to the Opponent's attention. Moreover the Opponent does not have to prove instances of confusion in order to establish a likelihood of confusion. The Registrar will consider such a factor to support its conclusion of the absence of likelihood of confusion where the analysis of other relevant factors leads to such conclusion.

The state of the register evidence is included in Mr. Haggerty's affidavit, a trade-mark searcher employed by the Applicant. The Opponent objects to the admissibility of the Haggerty affidavit for the reasons detailed hereinafter. Mr. Haggerty states that he has access to a database known as "Onscope" and adds "... which I understand is the same database used in the search room at the Canadian Intellectual Property Office". The Opponent puts at issue the use of the words "which I understand" and considers Mr. Haggerty's evidence to be hearsay.

One must not dissect each allegation in an affidavit. The affidavit must be read as a whole. Mr. Haggerty does state under oath in the next paragraphs:

"4. The Onscope database is an interactive trade-mark search tool supplied by Marque d'Or.

5. The database that I use for searching is updated weekly. The database contains all trade-marks electronically available from the Canadian Trade-marks Register at CIPO.

6. The database includes four search fields for trade-mark indexes...."

I do not regard the statements made by Mr. Haggerty as hearsay evidence. He is familiar with the database Onscope and has described it in detail.

I reviewed the evidence filed by Mr. Haggerty. There are only four (4) citations (NATÜR SOURCE & design, NATURESOURCE, SOURCE NATURALS & design, and SOURCE NATURELLE) representing phonetically equivalent trade-marks or French translation thereof to the Opponent's trade-mark NATURSOURCE. This number of citations is not sufficient to draw an inference that the consumer is accustomed to see such trade-marks on the marketplace and is therefore able to distinguish amongst them.

I wish to point out that I purposely disregarded the citations wherein the combination of the words "source" and "naturelle" makes it clearly descriptive of the wares. In many of those citations we have "EAU DE SOURCE NATURELLE..." as a component of a trade-mark registered in association with natural or spring water. They are not relevant to our case.

In summary we have the Applicant's Mark that resembles the Opponent's trade-mark NATURSOURCE. The Opponent's trade-mark is a weak trade-mark but has acquired some distinctiveness over the years through extensive use. There is some connectivity between the Opponent's wares and the Applicant's services (1), (3) and (4). Consequently, for those services, the Applicant has not discharged its burden to prove, on a balance of probability, that the Mark is not likely to cause confusion with the Opponent's trade-mark NATURSOURCE.

Therefore I maintain the third ground of opposition but only in so far as services (1), (3) and (4) are concerned. I dismiss this ground of opposition with respect to services (2) as the difference in the nature of those services is sufficient to negate, on a balance of probabilities, the likelihood of confusion between the marks in issue.

V Entitlement to the registration of the Mark and distinctiveness

From the evidence described above, I conclude that the Opponent has met its initial onus to show prior use of its trade-mark NATURSOURCE as of the relevant dates under s. 16(1) and (3) of the Act. It has also established prior use of its trade-name Natursource Inc. as it appears on the various packaging filed as well as on its invoices. The evidence in the record shows that the Opponent had not abandoned such use as of the date of advertisement of the Applicant's application [s. 16(5) of the Act].

The main issue is the likelihood of confusion between the Mark and the Opponent's trade-mark NATURSOURCE and its trade-names Natursource Inc. and Natursource. The conclusions drawn on this issue under the analysis of the registrability of the Mark are equally applicable. Therefore the fourth ground of opposition based on s. 16(1)(c) is maintained only with respect to services (1) and is dismissed with respect to services (2). As for the fifth ground of opposition based on s. 16(3)(c) it is maintained as it relates only to services (3) and (4).

The difference in the relevant dates between the grounds of opposition of entitlement and distinctiveness would not be a determining factor. Consequently, the same conclusions apply. The Mark is not distinctive in so far as services (1), (3) and (4) are concerned.

VI Conclusion

The Applicant failed to discharge its burden to prove, on a balance of probabilities, that the Mark is not likely to cause confusion with the Opponent's trade-mark NATURSOOURCE when used in association with:

- (1) Retail store services specializing in the sale of nutritional supplements, vitamins and mineral supplements, herbal supplements, and diet and weight loss products, fitness products, excluding cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes, and cookies.
- (3) Franchising services; namely, offering technical assistance in the establishment and/or operation of retail shops specializing in clinical services and the sale of nutritional supplements, vitamins and mineral supplements, herbal supplements, fibre products, and diet and weight loss products, excluding cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes, and cookies.
- (4) E-Commerce services namely; designing and operating an electronic store offering a full range of natural health and beauty products, excluding cereals, granola snack food, porridge, roasted nuts, roasted seeds, dried fruit and nut mixes, and cookies.

Having been delegated authority by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, and applying the principles enunciated in the case of *Produits Ménagers Coronet Inc. v. Coronet Werke Heinrich SCH* 10 C.P.R. (3d) 482, I reject the opposition pursuant to s. 38(8) of the Act, only in so far as the following services are concerned:

- (2) Health care services namely; nutrition consulting services; naturopathic and homeopathic consulting, aromatherapy, chiropractic, iridology, massage, reflexology, shiatsu, and weight loss.:

DATED, IN BOUCHERVILLE, QUEBEC, THIS 16th DAY OF JANUARY 2009.

Jean Carrière,
Member, Trade-marks Opposition Board