

**IN THE MATTER OF AN OPPOSITION
by Kellogg Canada Inc. and Kellogg Company
to application No. 869,402 for the trade-mark
OAT HOOPS filed by Weetabix of Canada Limited**

On February 13, 1998, the applicant, Weetabix of Canada Limited, filed an application to register the trade-mark OAT HOOPS based on use of the mark in Canada since August 31, 1986 in association with “breakfast cereal and cereal based snack food.” The application was amended to include a disclaimer to the word OATS and was subsequently advertised for opposition purposes on February 3, 1999.

The opponent, Kellogg Canada Inc., filed a statement of opposition on December 11, 2000, a copy of which was forwarded to the applicant on December 19, 2000. On September 23, 2004, leave was granted to add Kellogg Company as a joint opponent since it had become the new owner of the trade-marks relied on in the statement of opposition.

The first ground of opposition is that the applicant’s application does not conform to the requirements of Section 30(b) of the Trade-marks Act because the applicant has not used its applied for trade-mark in Canada since the date claimed. The second ground is that the applied for trade-mark is not registrable pursuant to Section 12(1)(d) of the Act because it is confusing with Kellogg Company’s trade-mark LOOPS registered under No. 134,171 for “cereal breakfast foods” and its trade-mark FROOT LOOPS registered under No. 215,186 for “cereal and vegetable derived food products to be used as a breakfast food and snack food.”

The third ground of opposition is that the applicant is not the person entitled to

registration pursuant to Section 16(1)(a) of the Act because, as of the applicant's claimed date of first use, the applied for trade-mark was confusing with the trade-marks LOOPS and FROOT LOOPS previously used in Canada by Kellogg Company's predecessor in title Kellogg Canada Inc. The fourth ground is that the applied for trade-mark is not distinctive in view of the opponents' use of their trade-marks.

The applicant filed and served a counter statement and was later granted leave to amend its counter statement. As their evidence, the opponents submitted the affidavit of Alexandra Leahy. As its evidence, the applicant submitted the affidavits of John Stalker, Jill Terris, Elizabeth A. Sterling and Kelly Ann Brady. Mr. Stalker was cross-examined on his affidavit and the transcript of that cross-examination forms part of the record of this proceeding. As evidence in reply, the opponents submitted an affidavit of Lisa M. Hildred. Both parties filed a written argument and an oral hearing was conducted at which only the opponents were represented.

THE OPPONENTS' EVIDENCE

In her affidavit, Ms. Leahy identifies herself as the Director of Marketing of Kellogg Canada Inc. She states that her company has sold ready-to-eat cereal under the trade-mark FROOT LOOPS across Canada since 1964. Sales for the period 1988-1999 were in excess of \$350 million with sales for the period 1998-2002 being more than \$163 million. For the period 1988-1999, advertising expenditures were greater than \$22 million and more than \$43 million was spent on consumer promotions. The corresponding figures for 1996-2002 were \$13 million and \$38 million.

Representative packaging, coupons and advertising material are appended as exhibits to the Leahy affidavit. Those materials consistently show the trade-mark FROOT LOOPS. There is no evidence of any use or advertising of the registered mark LOOPS alone. Ms. Leahy states that the trade-mark FROOT LOOPS has been advertised through television and print media. She also states that Kellogg Canada Inc. launched a website in 1996. Finally, she states that in all her years in the food industry, she has never seen or been made aware of a HOOPS cereal or an OAT HOOPS cereal.

THE APPLICANT'S EVIDENCE

In his affidavit, Mr. Stalker identifies himself as the Vice-president and General Manager of the applicant, Weetabix of Canada Limited. Mr. Stalker states that the applicant manufactures and sells breakfast cereal and cereal-based snack food under the trade-marks HOOPS and OAT HOOPS. However, he goes on to state that his company's HOOPS and OAT HOOPS wares are produced in bulk and then shipped to other Canadian manufacturers who then use the applicant's wares in producing cereals and/or snack food products under their own trade-marks. In fact, on cross-examination, Mr. Stalker conceded that his company's HOOPS and OAT HOOPS products only become a packaged breakfast cereal or a snack food when used by other manufacturers. He admitted that the applicant does not manufacture finished snacks (see page 5 of the Stalker transcript).

According to Mr. Stalker, sales of the applicant's OAT HOOPS products were greater than \$675,000 for the period 1994-2002. Since computer-generated sales records were only

kept for a limited time, no sales figures for the years prior to 1994 are given. However, Exhibit A to the Stalker affidavit comprises sample invoices including some dating back to the late 1980s. On cross-examination, it was pointed out to Mr. Stalker that these earlier invoices are from Weetabix of Canada (Mfg.) Limited to Weetabix of Canada Limited which he admitted were internal sales between sister companies. However, on reexamination, Mr. Stalker explained that these were internally generated invoices and that corresponding invoices would have been prepared from Weetabix Canada Limited to the company who originally ordered the product.

Exhibit A to the Stalker affidavit also includes a photocopy of a label that is placed on a bulk case of OAT HOOPS product. This is the manner in which the applicant ships its product to its customers. That label includes the wording “OAT HOOPS Cereal” and the French equivalent “Céréales D’AVOINE EN O” which is inconsistent with OAT HOOPS functioning as a trade-mark.

On cross-examination, Mr. Stalker referred to an earlier invoice dated October 27, 1986 from a related opposition where the product is referred to as “Industrial Hoop Products.” Mr. Stalker explained that this was a category of product sold by the applicant. The applicant has three business units, namely (1) branded products, (2) private label products and (3) bulk ingredients or “industrial ingredients.” At page 29 of the Stalker transcript, Mr. Stalker states as follows:

“Hoops” was a descriptor of the category and included probably other products, and I don’t know what they are.

It therefore appears that the words HOOPS and OAT HOOPS were used on packaging and

invoices to describe a particular category of bulk product rather than as trade-marks. As conceded by Mr. Stalker on cross-examination, the applicant doesn't restrict its customers from using the descriptions HOOPS and OAT HOOPS when selling their final or bulk product. Countenancing such non-distinctive use also suggests that the words were not being used as trade-marks by the applicant. The fact that the applicant had no advertising or promotional budget for HOOPS or OAT HOOPS products is inconsistent with those words being treated as trade-marks.

The Terris affidavit serves simply to introduce into evidence various dictionary definitions for the words "hoop", "hoops", "loop", "loops" and "fruit."

In her affidavit, Ms. Sterling details the results of her trip to a Sobey's supermarket in Nepean, Ontario on July 22, 2003 where she was instructed to find similar cereal trade-marks used by different owners. Exhibit A to her affidavit comprises photocopies of the cereal packages she purchased. Those packages are of little relevance since they simply show that different cereal manufacturers use descriptive terminology as part of their trade-marks such as "crisp", "crispy", "oaty" and "oatie." Ms. Sterling's search is more noteworthy for the fact that she was unable to locate any products sold under the marks HOOPS or OAT HOOPS and the further fact that she failed to locate any cereal sold under a trade-mark similar to the opponents' mark FROOT LOOPS.

In her affidavit, Ms. Brady details the results of cereal purchases she made in various Ottawa grocery outlets on March 25, 2003. She had been instructed to locate cereals bearing

the word HOOPS and cereals that had trade-marks incorporating the name of a shape. Ms. Brady was unable to locate any cereal using the word HOOPS on the packaging. She was able to locate a number of cereals employing the name of a shape such as WHEAT SQUARES, TOASTED OAT O'S, FRUITY O'S and HONEY NUT O'S. However, such evidence is of little relevance to the marks at issue in the present case.

Ms. Brady also conducted a search of the trade-marks register to locate pairs or groups of similar marks for cereal products. Based on those search results, she re-attended at various Ottawa grocery stores on July 15, 2003 to locate such products. Those results are of little relevance to the issue of confusion in this opposition since the marks located generally only exhibit the use of components descriptive as to texture or flavor such as “crispy”, “crunchy” and “fruity.” Again, the Brady investigations are more noteworthy for her failure to locate any product sold by the applicant under the trade-mark HOOPS or OAT HOOPS.

THE OPPONENTS' REPLY EVIDENCE

The Hildred affidavit introduces into evidence particulars of the pages from the applicant's website. It is noteworthy that the website does not mention HOOPS and OAT HOOPS as brands of the applicant. In fact, the website refers to a private label brand called FRUITY O'S and uses the word “hoops” generically under the heading “Flavour” as follows:

The hoops should be light and crisp, not gritty, chewy, soft or hard.

THE GROUNDS OF OPPOSITION

As for the opponents' first ground of opposition, the onus or legal burden is on the

applicant to show that its application conforms to the requirements of Section 30(b) of the Act: see the opposition decision in Joseph Seagram & Sons v. Seagram Real Estate (1984), 3 C.P.R.(3d) 325 at 329-330 and the decision in John Labatt Ltd. v. Molson Companies Ltd. (1990), 30 C.P.R.(3d) 293 (F.C.T.D.). There is, however, an evidential burden on the opponents respecting their allegations of fact in support of that ground. That burden is lighter respecting the issue of non-conformance with Section 30(b) of the Act: see the opposition decision in Tune Masters v. Mr. P's Mastertune (1986), 10 C.P.R.(3d) 84 at 89. Furthermore, Section 30(b) requires that there be continuous use of the applied for trade-mark in the normal course of trade since the date claimed: see Labatt Brewing Company Limited v. Benson & Hedges (Canada) Limited and Molson Breweries, a Partnership (1996), 67 C.P.R.(3d) 258 at 262 (F.C.T.D.). Finally, the opponents' evidential burden can be met by reference to the applicant's own evidence: see Labatt Brewing Company Limited v. Molson Breweries, a Partnership (1996), 68 C.P.R.(3d) 216 at 230 (F.C.T.D.).

In the present case, the opponents have pointed to the earlier invoices that are part of Exhibit A to the Stalker affidavit and submitted that they are only internal invoices and therefore do not support use of the applicant's mark in the normal course of trade. As discussed, Mr. Stalker explained that most earlier records were not saved and that there would have been customer invoices corresponding to each of those internal invoices.

However, Mr. Stalker's evidence points to other factors which tend to cast doubt on the applicant's claimed date of first use. As previously noted, Mr. Stalker admitted on cross-examination that the applicant does not manufacture finished snack products in association

with the trade-marks HOOPS and OAT HOOPS. Furthermore, the applicant does not manufacture ready-to-eat, packaged breakfast cereal under those marks but only bulk ingredients for use by other manufacturers. Thus, it appears that the applicant has failed to evidence use of its marks for the precise wares claimed as of the claimed date of first use or at any date.

It also appears that the words HOOPS and OAT HOOPS were used as product descriptors rather than trade-marks. The fact that the applicant's customers were free to use those words themselves in describing their bulk or final packaged products suggests that the applicant did not intend to treat those words as trade-marks. Thus, it appears that the applicant did not use HOOPS and OAT HOOPS as trade-marks as of the claimed date of first use or at any time.

In view of the above, I find that the opponents have met their evidential burden respecting the first ground. It was therefore incumbent on the applicant to positively evidence use of the words OAT HOOPS as a trade-mark in association with the precise wares listed in the application as of the claimed date of first use. Since the applicant failed to do so, the first ground of opposition is successful.

As for the second ground of opposition, the material time for considering the circumstances respecting the issue of confusion with a registered trade-mark is the date of my decision: see the decision in Conde Nast Publications Inc. v. Canadian Federation of Independent Grocers (1991), 37 C.P.R.(3d) 538 at 541-542 (T.M.O.B.). Furthermore, the onus

or legal burden is on the applicant to show on a balance of probabilities no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding circumstances including those specifically set forth in Section 6(5) of the Act.

As for Section 6(5)(a) of the Act, the applicant's mark is inherently weak since it suggests the shape of a cereal product made from OAT. Since the applicant has used the words OAT HOOPS as a product category descriptor rather than a trade-mark and since its sales have only been to a handful of cereal manufacturers, I find that it has not acquired any meaningful reputation in Canada.

The registered mark LOOPS is also inherently weak since it suggests the shape of a cereal product. There being no evidence of use of this mark by the opponents, I must conclude that it has not become known at all in Canada.

The registered mark FROOT LOOPS is inherently distinctive although not an inherently strong mark. Particularly when sounded, the mark's components are suggestive of a fruit-flavored, annular-shaped cereal product. Visually, however, the mark is more inherently distinctive given the use of the double-O in the fanciful misspelling of the first component of the mark. In view of Ms. Leahy's evidence, I am able to conclude that the mark FROOT LOOPS has become very well known throughout Canada.

The length of time the marks have been in use favors the opponents at least in respect

of the registered mark FROOT LOOPS and particularly given the applicant's failure to support its claimed date of first use. As for Sections 6(5)(c) and 6(5)(d) of the Act, it is the applicant's statement of wares and the statements of wares appearing in the second opponent's two registrations that govern: see Mr. Submarine Ltd. v. Amandista Investments Ltd. (1987), 19 C.P.R.(3d) 3 at 10-11 (F.C.A.), Henkel Kommanditgesellschaft v. Super Dragon (1986), 12 C.P.R.(3d) 110 at 112 (F.C.A.) and Miss Universe, Inc. v. Dale Bohna (1994), 58 C.P.R.(3d) 381 at 390-392 (F.C.A.). However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful: see the decision in McDonald's Corporation v. Coffee Hut Stores Ltd. (1996), 68 C.P.R.(3d) 168 at 169 (F.C.A.).

Based on the clear wording of the statements of wares at issue, I find that the wares of the parties are the same. Thus, it follows that the trades of the parties could overlap. The applicant sought to distinguish the trades by submitting that it dealt only with other cereal manufacturers whereas the opponents' products were sold through retailers. However, the applicant's wares were not restricted to bulk ingredients for use by cereal manufacturers. Rather, they are described as the same type of products that are sold by the opponents.

As for Section 6(5)(e) of the Act, there is a fairly high degree of resemblance in all respects between the applicant's mark OAT HOOPS and the registered mark LOOPS. The degree of resemblance between OAT HOOPS and FROOT LOOPS is not as marked but is still fairly pronounced due to the resemblance between HOOPS and LOOPS and the unusual use

of the double-O in the first component FROOT.

As an additional surrounding circumstance, the applicant submitted that the contemporaneous use of the marks OAT HOOPS and FROOT LOOPS over a number of years without any incidents of actual confusion occurring suggests that the marks are not confusing. However, as discussed, the applicant has used OAT HOOPS as a product descriptor rather than as a trade mark and then only within a very limited, specialized market which differs from the opponents' market. Furthermore, the sales of OAT HOOPS were not significant and it appears that the product was no longer sold after 2003 (see page 19 of the Stalker transcript).

The applicant has also relied on the state of the register evidence and the state of the marketplace evidence introduced by the Sterling and Brady affidavits. However, as discussed, that evidence is of little relevance respecting the issue at hand. The fact that there may be pairs or groups of similar cereal trade-marks employing descriptive words such as "crispy", "crunchy" and "oaty" or the further fact that some cereal marks employ words descriptive of shape does not serve to mitigate a finding of confusion between OAT HOOPS and the registered marks LOOPS and FROOT LOOPS. Of more importance is the fact that the applicant was unable to evidence any third party marks using the word HOOPS or LOOPS.

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. As for the registered mark FROOT LOOPS, in view of the resemblance between the wares, trades and marks of the parties, the reputation associated with the registered mark and the absence of use and limited reputation associated

with the applicant's mark, I find on a balance of probabilities that the applicant has failed to satisfy the onus on it to show that its trade-mark is not confusing with the registered mark FROOT LOOPS. Likewise, although the opponents failed to evidence any use of the registered mark LOOPS, I find that in view of the higher degree of resemblance, that mark, too, is confusing with the applicant's mark. Thus, the second ground of opposition is also successful.

Given that the applicant has failed to support its claimed date of first use, the material time for considering the third ground of opposition is the applicant's filing date. The opponents failed to evidence any use of the mark LOOPS. Thus, that aspect of the third ground is unsuccessful. They did, however, evidence prior use of the mark FROOT LOOPS. The third ground therefore remains to be decided on the issue of confusion between the mark OAT HOOPS and the mark FROOT LOOPS as of the applicant's filing date. For the most part, my conclusions respecting this issue under the second ground are also applicable here. Thus, the two marks were confusing as of the relevant date and this aspect of the third ground is also successful.

As for the fourth ground of opposition, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R.(3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. - December 11, 2000): see Re 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.).

The fourth ground essentially turns on the issue of confusion between the mark OAT HOOPS and the mark FROOT LOOPS as of the filing of the opposition. Again, my conclusions respecting the second ground are, for the most part, also applicable to this ground. Thus, I find that the marks were confusing as of the relevant date and the fourth ground is also successful.

In view of the above, and pursuant to the authority delegated to me under Section 63(3) of the Act, I refuse the applicant's application.

DATED AT GATINEAU, QUEBEC, THIS 1st DAY OF OCTOBER, 2007.

**David J. Martin,
Member,
Trade Marks Opposition Board.**