

**IN THE MATTER OF AN OPPOSITION  
by Société des Produits Nestlé S.A. and  
Nestlé Canada Inc. to application No.  
1,123,518 for the trade-mark ESTEA'M  
filed by Miniminit Products Ltd.**

On November 28, 2001, Miniminit Products Ltd. (the “Applicant”) filed an application to register the trade-mark ESTEA’M (the “Mark”) for “non-alcoholic beverages, namely tea” based on proposed use in Canada.

The application was advertised for opposition purposes in the Trade-marks Journal of May 7, 2003.

On June 25, 2003, Société des Produits Nestlé S.A. and Nestlé Canada Inc. (collectively the “Opponent”) filed a statement of opposition against the application. The grounds of opposition are summarized below:

1. The application does not comply with s. 30(e) of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the “Act”) because the Applicant did not intend to use the Mark in Canada as of the filing date of the application or did not intend to use the Mark as a trade-mark.
2. The application does not comply with s. 30(i) of the Act because the Applicant was, at the time of the application, aware of the NESTEA trade-marks of the Opponent and could not therefore have been satisfied as to its entitlement to use the Mark.
3. The Mark is not registrable pursuant to s. 12(1)(d) of the Act because it is confusing with the following trade-marks: NESTEA registered under No. UCA 20826 for a tea beverage extract combined with other food ingredients and a tea beverage extract without the addition of other food ingredients; NESTEA registered under No. 215,827 for beverages, namely liquid tea; and NESTEA Design registered under No. 502,730 for beverages, namely liquid tea. Société des Produits Nestlé S.A. is the owner of these registrations and Nestlé Canada Inc. is the Canadian licensee.

4. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(a) and (b) of the Act because, at the date of filing of the application, the Mark was confusing with the trade-marks NESTEA and NESTEA Design, which have been used extensively in Canada by the Opponent and in respect of which Société des Produits Nestlé S.A. has previously filed applications for registration.
5. The Mark is not, and cannot be, distinctive of the Applicant because it is confusing with the Opponent's trade-marks NESTEA and NESTEA Design.

The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

As rule 41 evidence, the Opponent filed the affidavit of Jayne Payette and certified copies of Canadian Trade-mark registrations Nos. TMA502,730, TMA215,827 and UCA20826. As rule 42 evidence, the Applicant filed the affidavit of Michael W. Van Eesbeek. No cross-examinations were conducted.

Each party filed a written argument. An oral hearing was not requested.

#### Material Dates

Each of the grounds of opposition turns on the issue of the likelihood of confusion, but each ground has a different date for assessing this issue. The material date with respect to the s. 30 grounds of opposition is the filing date of the application. [See *Georgia-Pacific Corp. v. Scott Paper Ltd.*, 3 C.P.R. (3d) 469 at 475.] The material date with respect to the registrability grounds of opposition is the date of my decision. [See *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks*, 37 C.P.R. (3d) 413 (F.C.A.).] The material date with respect to the entitlement grounds of opposition is the filing date of the application. [See s. 16(3).] The material date with respect to the non-distinctiveness ground of opposition is generally considered to be the date of filing of the opposition. [See *Metro-Goldwyn-Meyer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4<sup>th</sup>) 317 (F.C.T.D.) at 324.]

### Onus

The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial 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. [See *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)]

### Section 30 Grounds of Opposition

I am dismissing the s. 30 grounds of opposition because the Opponent has not met its initial burden in respect thereof. In particular, there is no evidence that the Applicant did not intend to use the Mark or that it did not intend to use the Mark as a trade-mark or that it was aware of the Opponent's NESTEA trade-marks.

### Section 12(1)(d) Grounds of Opposition

The Opponent has met its initial burden with respect to its s. 12(1)(d) grounds of opposition because the registrations on which it relies are extant. The particulars of those registrations are as follow:

- Regn. No. TMA502,730 for NESTEA Design (shown below) issued on October 23, 1998 based on a declaration of use filed October 7, 1998 for “beverages, namely liquid tea”.



- Regn. No. TMA215,827 for NESTEA issued on September 3, 1976 based on use in Canada since at least as early as May 1971 for “beverages, namely liquid tea”.

- Regn. No. UCA20826 for “NESTEA” issued to registration on August 7, 1945 based on use in Canada since July 19, 1945 for “a tea beverage extract combined with other food ingredients” and on use in Canada since May 1959 for “a tea beverage extract without the addition of other food ingredients”.

The likelihood of confusion among the marks will therefore be assessed, beginning with the likelihood of confusion between the Mark and the Opponent’s mark NESTEA (registration No. TMA215,827).

The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: the inherent distinctiveness of the trade-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; and the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them.

In *Polo Ralph Lauren Corp. v. United States Polo Association et al.* (2000), 9 C.P.R. (4<sup>th</sup>) 51 (F.C.A.) at 58-59, Malone J.A. summarized the guidelines to be applied when assessing the likelihood of confusion as follows:

A review of some of the leading cases also establishes some practical guidelines. For example, the Court is to put itself in the position of an average person who is familiar with the earlier mark but has an imperfect recollection of it; the question is whether the ordinary consumer will, on seeing the later mark, infer as a matter of first impression that the wares with which the second mark is used are in some way associated with the wares of the earlier. With respect to the degree of resemblance in appearance, sound or ideas under subparagraph 6(5)(e), the trade-marks at issue must be considered in their totality. As well, since it is the combination of elements that constitutes a trade-mark and gives distinctiveness to it, it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks when applying the test for confusion. In addition, trade-marks must not be considered in isolation

but in association with the wares or services with which they are used. When dealing with famous or well-known marks, it may be more difficult to demonstrate that there is no likelihood of confusion, especially if the nature of the wares are similar. Lastly, the enumerated factors in subsection 6(5) need not be attributed equal weight. Each particular case of confusion might justify greater emphasis being given to one criterion than to others.

In the recent Supreme Court of Canada decision in *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, at paragraph 58 Mr. Justice Binnie elaborated on the consumer in question as follows:

A consumer does not of course approach every purchasing decision with the same attention, or lack of it. When buying a car or a refrigerator, more care will naturally be taken than when buying a doll or a mid-priced meal: *General Motors Corp. v. Bellows*, [1949] S.C.R. 678. In the case of buying ordinary run-of-the-mill consumer wares and services, this mythical consumer, though of average intelligence, is generally running behind schedule and has more money to spend than time to pay a lot of attention to details. In appropriate markets, such a person is assumed to be functionally bilingual: *Four Seasons Hotels Ltd. v. Four Seasons Television Network Inc.* (1992), 43 C.P.R. (3d) 139 (T.M.O.B.). To those mythical consumers, the existence of trade-marks or brands make shopping decisions faster and easier. The law recognizes that at the time the new trade-mark catches their eye, they will have only a general and not very precise recollection of the earlier trade-mark, famous though it may be or, as stated in *Coca-Cola of Canada Ltd. v. Pepsi-Cola Co. of Canada Ltd.*, [1942] 2 D.L.R. 657 (P.C.), “as it would be remembered by persons possessed of an average memory with its usual imperfections” (p. 661). The standard is not that of people “who never notice anything” but of persons who take no more than “ordinary care to observe that which is staring them in the face”: *Coombe v. Mendit Ltd.* (1913), 30 R.P.C. 709 (Ch. D.), at 717. However, if ordinary casual consumers somewhat in a hurry are likely to be deceived about the origin of the wares or services, then the statutory test is met.

#### *inherent distinctiveness of the trade-marks*

The Opponent’s NESTEA mark is an invented word. It does however include the descriptive formative “tea”, combined with the prefix NES that is itself suggestive of the source, *i.e.* Nestlé.

The Applicant’s ESTEA’M mark is also an invented word that includes the descriptive formative “tea”. As a whole, one might say that the Mark has a laudatory sense, to the degree that it would be pronounced as “esteem”. It does however also suggest the idea of boiling water, through its incorporation of the word “steam”.

#### *the extent to which each trade-mark has become known*

This factor clearly favours the Opponent as there is no evidence that the Applicant’s Mark has

become known. In contrast, Ms. Payette has attested that NESTEA beverages have been sold in Canada for many years and as of April 2004 were being sold almost everywhere in Canada, with many millions of dollars having been sold in each of the years 1998 through 2003. Such sales have been supported during that time period by substantial advertising and promotion, including in-store promotions and television advertisements. (The Applicant has argued that the Opponent has only shown use of its NESTEA Design, not its NESTEA word mark, but of course use of the design version also qualifies as use of the word mark.)

*the length of time each trade-mark has been in use*

The length of time that each trade-mark has been in use clearly favours the Opponent.

*the nature of the wares, services or business; the nature of the trade*

The Applicant has argued that there are differences between the two parties' wares but I do not consider these to be significant given that both sell a type of tea. Ms. Payette has explained that the Opponent's products are sold through retail stores, ranging from large grocery chains, to small corner stores, to club stores. There is no reason to believe that the Applicant's products would be sold through different channels of trade.

*the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them*

There is a degree of resemblance between the parties' marks in appearance and in sound. However, this arises through their sharing of the letters "estea", the majority of which comprises the name of the associated product. Although the two marks differ only by one letter (and an apostrophe), I find that this difference of a letter has a considerable impact on distinguishing the marks from each other.

The marks are of course to be considered as a whole and generally the first portion of a mark is the dominant one. In the present case, the marks start with different letters and also end with different letters. This has a significant impact not only on their overall appearance and sound, but also on the ideas suggested by each.

As discussed earlier, the Opponent's NESTEA mark suggests tea and might be interpreted as indicating tea that originates from the Opponent, Nestlé. In contrast, the Applicant's ESTEA'M mark suggests tea that is "held in high esteem" and associated with boiling water (steam).

*additional surrounding circumstances*

The Applicant's evidence comprises online searches of the Canadian Trade-marks database. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. [*Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 (T.M.O.B.); *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)]

The Applicant conducted three searches directed to trade-marks: 1) including the string "tea", 2) beginning with the string "est", and 3) including the term "est\*m". It was not necessary to produce a search for me to accept that "tea" might be a common formative of trade-marks used in association with tea beverages and the latter two searches did not produce any results that assist the Applicant's case.

*conclusion re likelihood of confusion*

Having considered all of the surrounding circumstances, I conclude that, on a balance of probabilities, there is not a reasonable likelihood of confusion between ESTEA'M and NESTEA. Although the majority of the s. 6(5) factors favour the Opponent, the most crucial or dominant factor in determining the issue of confusion is the degree of resemblance between the trade-marks [see *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstery Ltd.* (1980), 47 C.P.R. (2d) 145 (F.C.T.D.) at 149, affirmed 60 C.P.R. (2d) 70]. I find that the differences between ESTEA'M and NESTEA in appearance, sound and idea suggested are sufficient on their own to make confusion unlikely. For clarification, I would find this to be the case whether or not consumers interpret the "NES" in the Opponent's mark to be a reference to the Nestlé name.

As the Opponent's position is no stronger with respect to its two other registered marks, all of the

s. 12(1)(d) grounds fail.

### Section 16 Grounds of Opposition

In order to satisfy its initial burden with respect to each arm of its pleading, the Opponent must establish that its trade-marks have been used in Canada prior to November 28, 2001, such use was not abandoned as of May 7, 2003, and its applications were pending as of May 7, 2003. [See s. 16(3), (4) and (5) of the Act.]

The Opponent has not met its initial burden with respect to its s. 16(3)(a) ground because Ms. Payette's evidence does not show how the Opponent's marks were used prior to November 28, 2001, the only sample packaging provided by her being identified as "current", *i.e.* as of April 8, 2004. I also note that the filing of the certified copies of the Opponent's registrations is insufficient to support the Opponent's initial burden [see *Entre Computer Centers, Inc. v. Global Upholstery Co.* (1991), 40 C.P.R. (3d) 427 (T.M.O.B.)].

The Opponent has also not met its initial burden with respect to its s. 16(3)(b) ground because there is no evidence that the Opponent had applications for NESTEA or NESTEA Design that were pending at the date of advertisement of the applicant's application, its applications having all issued to registration prior to May 7, 2003. [See *Governor and Co. of Adventurers of England trading into Hudson's Bay, commonly called Hudson's Bay Co. v. Kmart Canada Ltd.*, 76 C.P.R. (3d) 526 at 528.]

The s. 16 grounds of opposition are accordingly dismissed.

### Distinctiveness Ground of Opposition

The issue of what is required in order for an Opponent to meet its initial burden with respect to a distinctiveness ground of opposition has been thoroughly canvassed by Mr. Justice Noël in the recent decision in *Bojangles' International, LLC and Bojangles Restaurants, Inc. v. Bojangles Café Ltd.* 2006 FC 657. At paragraph 34, he concluded, "A mark must be known to some extent at least to negate the established distinctiveness of another mark, and its reputation in Canada should be substantial, significant or sufficient."



I must therefore assess if the Opponent's evidence shows that one or more of its marks had a reputation in Canada that was either substantial, significant or sufficient as of June 25, 2003. I find that there is no evidence showing how the Opponent's marks were advertised or used prior to the material date. Ms. Payette does tell us details about promotions in March 2003, "Spring 2003", and "March-December 2003". However, the only exhibits showing the actual promotional materials are with respect to the "March-December 2003" campaign. These take the form of coupons displaying the Opponent's marks, with expiry dates of December 31, 2003 and August 31, 2004. I cannot assume that these were distributed in any significant number prior to June 25, 2003 and therefore I find that the Opponent has not met its initial burden with respect to its distinctiveness ground. In the event that I am wrong in this regard, I would have rejected the ground on the basis that the Applicant's Mark is not confusing with any of the Opponent's marks as of June 25, 2003, for reasons similar to those set out with respect to the s. 12(1)(d) grounds of opposition.

#### Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I reject the opposition pursuant to s. 38(8).

DATED AT TORONTO, ONTARIO, THIS 28th DAY OF AUGUST 2006.

Jill W. Bradbury  
Member  
Trade-marks Opposition Board