



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADE-MARKS

Citation: 2016 TMOB 81
Date of Decision: 2016-05-31

IN THE MATTER OF AN OPPOSITION

Loblaws Inc.

Opponent

and

Whole Foods Market IP, L.P.

Applicant

**1,562,362 for CANADA'S HEALTHIEST
GROCERY STORE**

Application

Background

[1] On February 2, 2012, the Applicant filed application No. 1,562,362 to register the trade-mark CANADA'S HEALTHIEST GROCERY STORE (the Mark). The application for the Mark is based upon use in Canada since at least as early as January 30, 2012 and it covers "retail grocery store services".

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* dated November 7, 2012 and on March 28, 2013, the Opponent filed a statement of opposition against it under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act). Leave to file an amended statement of opposition was subsequently requested and granted on January 9, 2014.

[3] The grounds of opposition (as amended) are based upon sections 30(i), 12(1)(b), 12(1)(c) and 2 (distinctiveness) of the Act.

[4] A counter statement denying each of the grounds of opposition was filed by the Applicant on June 13, 2013.

[5] As evidence in support of its opposition, the Opponent filed the affidavit of Zrinka Tomas, sworn November 6, 2013 (the Tomas affidavit). Ms. Tomas was not cross-examined on her affidavit.

[6] In support of its application, the Applicant filed the affidavit of Patricia Yost, sworn April 11, 2014 (the Yost affidavit) and the affidavit of Dane Penney, sworn April 9, 2014 (the Penney affidavit). Neither of the affiants was cross-examined.

[7] As evidence in reply, the Opponent filed the affidavit of Michael Stephan, sworn June 25, 2014 (the Stephan affidavit). Mr. Stephan was not cross-examined.

[8] Both parties filed a written argument and attended a hearing.

Onus

[9] The Applicant bears the legal onus of establishing on a balance of probabilities that its application complies with the requirements of the Act. However, there is 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 [*John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

Analysis of Grounds of Opposition

Section 12(1)(b)

[10] The Opponent has pleaded that CANADA'S HEALTHIEST GROCERY STORE is clearly descriptive or deceptively misdescriptive of the character and/or quality of the Applicant's retail grocery store services. The Opponent submits that when the Mark is used in association with the Applicant's services, it indicates an intrinsic character of those services, namely that the Applicant retailer is providing "Canada's healthiest grocery store". Furthermore,

the Opponent submits that when the Mark is used in association with the Applicant's services, it indicates the quality of the services, as it is a purely laudatory phrase.

[11] The material date for assessing the registrability of a trade-mark under section 12(1)(b) of the Act is the filing date of the application, which in this case is February 2, 2012 [*Fiesta Barbeques Ltd v General Housewares Corp* (2003), 28 CPR (4th) 60 (FCTD)].

[12] Section 12(1)(b) of the Act provides:

12(1)... a trade-mark is registrable if it is not:

...

(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the goods or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

[13] The purpose of the prohibition in section 12(1)(b) of the Act is to prevent any single trader from appropriating words within the range of language that would ordinarily be used by traders to describe particular goods or services, thereby placing legitimate competitors at a disadvantage [*General Motors Corp v Bellows* (1949), 10 CPR 101 (SCC) at paras 112-113].

[14] The Federal Court of Appeal in *Ontario Teachers' Pension Plan Board v Canada*, (2012), 99 CPR (4th) 481 (FCA) provided the following summary of the governing principles to be applied when assessing whether a trade-mark is clearly descriptive at para 29:

- the test is one of first impression in the mind of a normal or reasonable person. If such a person is unclear or uncertain as to the significance of the trade-mark in relation to the goods or services or if the trade-mark is suggestive of a meaning other than one describing the goods or services, then the word is not clearly descriptive
- one should not arrive at a determination of the issue by critically analyzing the words of the trade-mark, but rather by attempting to ascertain the *immediate* impression created by it in association with the goods or services with which it is used or proposed to be used

- the word “clearly” found in paragraph 12(1)(b) of the Act is there to convey the idea that it must be self-evident, plain or manifest, that the trade-mark is descriptive of the goods or services
- the word “character” means a feature, trait or characteristic belonging to the goods or services

[15] Whether a trade-mark is clearly descriptive or deceptively misdescriptive must be assessed from the perspective of the ordinary, everyday purchaser or user of the particular goods or services with which it is associated. The perspective of experts or people with special knowledge is not necessarily representative of such a purchaser [*Wool Bureau of Canada Ltd v Registrar of Trade-marks* (1978), 40 CPR (2d) 25; *Unitel Communications v Bell Canada* (1995), 61 CPR (3d) 12 (FCTD); *Consorzio del Prosciutto di Parma v. Maple Leaf Meats Inc.*, [2001] 2 FC 536; and *ITV Technologies v WIC Television Ltd*, 2003 FC 1056, aff’d 2005 FCA 96].

[16] In addition to the above principles, it has also been held that when assessing whether a trade-mark is clearly descriptive or deceptively misdescriptive under section 12(1)(b) of the Act, the Registrar must not only consider the evidence at her disposal, but also apply her common sense in the assessment of the facts [*Neptune SA v Attorney General of Canada* (2003), 29 CPR (4th) 497 (FCTD) at para 11].

[17] In the present case, the Opponent submits that “Canada’s Healthiest Grocery Store” is a phrase in the English language that can be readily understood. The Opponent submits that it is a phrase that says outright, not by inference or suggestion, that the Applicant’s services possess certain characteristics. The Opponent points out that each word found in the Mark is a common, generic word and submits that together, each of those words results in a mark which uses trade vocabulary to clearly describe grocery store services that are (or claim to be) the “healthiest” in Canada. The Opponent further submits that the Mark is laudatory, as the inclusion of the word “healthiest” serves to praise, commend or attribute a quality or value to the Applicant’s services.

[18] In support of these submissions, the Opponent relies upon dictionary definitions for each of the words in the Mark and notes that “Canada’s” is a possessive noun indicating geographic scope, “healthiest” means “having, showing or promoting good health”, “grocery” is “a grocer’s

trade or shop” or “provisions, esp. food, sold by a grocer” and “store” is a “retail outlet or shop” [Tomas affidavit, paras 2-6; Exhibits A to E].

[19] In addition, the Opponent relies upon an abundance of case law, including cases which have held that laudatory words or prefixes are *prima facie* descriptive terms and that laudatory trade-marks offend the provisions of section 12(1)(b) of the Act [*Effem Foods Ltd v Colgate-Palmolive Company*, 1998 CanLII 18488 (TMOB); *Ralston Purina Canada Inc v Quaker Oats Company of Canada Limited*, 1995 CanLII 10244 (TMOB); *Mitel Corporation v Registrar of Trade Marks* (1984), 79 CPR (2d) 202 (FCTD); *BFS Brands LLC v Michelin Recherche & Technique SA*, 2010 TMOB 152; *Nestle Enterprises Ltd v Effem Foods Ltd* (1989), 28 CPR (3d) 151 (TMOB); *Unilever Canada Inc v Superior Quality Foods Inc* (2007), 62 CPR (4th) 75 (TMOB); *Molson Canada 2005 v Labatt Brewing Co* 2009 CarswellNat 5069 (TMOB); and *Burns Foods (1985) Ltd v Superior Livestock of Canada Inc* (1996) 67 CPR (3d) 413 (TMOB)].

[20] At the hearing and in its written argument, the Applicant pointed out that the Mark is a slogan and noted that slogans can be more or less inherently distinctive depending on the message they convey. The Applicant submits that slogans are not generally used as primary source identifiers and that competitors should be entitled to use their slogans to convey similar factual information about their products or business, as long as different owners’ slogans can be distinguished.

[21] According to the Applicant, it is recognized that the Canadian public is used to distinguishing between different traders’ slogans that carry a similar message based upon the specific wording used. To illustrate this point, the Applicant referenced cases involving similar slogan-type trade-marks, considered to have a low degree of inherent distinctiveness, wherein there was held to be no likelihood of confusion [*Canadian Tire Corporation, Limited v The Pep Boys Manny Moe & Jack* (2000) CanLII 28611; *Canadian Junior Golf Association v The MBA Tour, Inc* 2014 TMOB 198 (CanLII)]. In a nutshell, it is the Applicant’s submission that the Registrar has a higher tolerance for suggestiveness that “borders on descriptiveness” in trade-marks that are slogans.

[22] Notably, the cases referred to by the Applicant in its written argument were confusion cases. Thus, the take-away from these cases is that there can sometimes be a higher tolerance on

the register for the co-existence of suggestive trade-marks, usually due to their lower degree of inherent distinctiveness and the narrower scope of protection to which they are consequently entitled. However, I do not think that these cases can be said to stand for the proposition that there is a higher tolerance for descriptiveness in trade-marks that are slogans.

[23] That being said, I note that in further support of its submissions, the Applicant also pointed out that there are many slogans or trade-marks which are similar in form to the Mark on the Canadian trade-mark register. A large number of these marks have been identified in the Penney affidavit [paras 2-3; Exhibits A and B]. The Applicant highlighted a number of these marks in paragraph 13 of its written argument, including: CANADA'S FAVOURITE MUSTARD (TMA740,935); CANADA'S WELLNESS STORE (TMA411,593); CANADA'S GOURMET BURGERS MAKER (TMA327,936); and CANADA'S NATIONAL TRUCK SHOW (TMA649,494). Notably, some of the marks identified by Mr. Penney are actually owned by the Opponent, including: THE GREAT CANADIAN FOOD STORE (TMA841,668); THE REAL CANADIAN SUPERSTORE (TMA671685); and WORLD'S BEST FOOD STORE (TMA785,340).

[24] First, I note that slogans are not subject to a different standard or treated any differently under the Act than other trade-marks. If they are clearly descriptive or deceptively misdescriptive so as to offend section 12(1)(b) of the Act and if they do not meet the requirements to claim the benefit of sections 12(2) or 14 of the Act, they are not registrable.

[25] Second, I note that on more than one occasion, this Board has held that it is not in a position to explain why particular trade-marks were permitted to proceed to registration by the examination section of the Trade-marks Office. Such a decision may have resulted because the examiner did not have the benefit of the type of evidence filed in an opposition proceeding or because the onus or legal burden is different at the examination stage [*Thomas J Lipton Inc v Boyd Coffee Co* (1991), 40 CPR (3d) 272 (TMOB) at 277; *UL Canada Inc v High Liner Foods Inc* (2001), 20 CPR (4th) 568 (TMOB); *Simmons IP Inc v Park Avenue Furniture Corp* (1994), 56 CPR (3d) 284 (TMOB); and *Benson & Hedges Inc v Imperial Tobacco Ltd* (1995), 60 CPR (3d) 567 (TMOB)]. I also note that the policies and practices of the Registrar may evolve over time resulting in the appearance of inconsistency [*Cliche v Canada (Attorney General)*, 2012 FC

564 at para 27]. Furthermore, the Court has recognized that while the Registrar must consider prior registrations when assessing descriptiveness, it is trite law that if the Registrar has erred in the past, there is no reason to perpetuate that error [*Neptune SA, supra*, at para 22].

[26] Suffice it to say, the existence of similar marks on the register cannot save a proposed trade-mark that would otherwise be unregistrable [*Worldwide Diamond Trademarks Limited v Canadian Jewellers Association*, 2010 FC 309 (CanLII); aff'd at 2010 FCA 326 (CanLII)].

[27] In its written argument, the Applicant goes on to pose the questions: “What does the Mark say about the Applicant’s services”? and “What does it mean for a grocery store to be healthy, let alone the healthiest”?.

[28] The Applicant submits that a financial analyst or management consultant may say a store is healthy if it has a strong balance sheet and a high return on investment when compared to other stores and that an occupational therapist or human resources professional may say that a store is healthy if its employees have fewer work-related injuries when compared to industry standards or if the employees score well in standardized medical assessment tests, and that a building inspector or environmental consultant may say that a store is healthy if it is free of hazards, such as asbestos or noxious cleaning agents.

[29] As noted previously, a trade-mark must be assessed from the perspective of the ordinary, everyday purchaser or user of the particular goods or services with which a mark is associated. In this case, that is the average Canadian grocery store shopper. While that person may well have some other identity or profession, which impacts his or her general perception, it must be borne in mind that we are still looking at the perception of the normal or reasonable person seeing the Mark in its specific context, which in this case, is grocery store services.

[30] Nonetheless, according to the Applicant, what Canadian consumers would perceive from the slogan CANADA’S HEALTHIEST GROCERY STORE is that the Applicant is committed to policies and core values that it considers to be best practices for health-conscious food retailers; policies that are healthy for its customers; healthy for its employees; healthy for the local farmers who supply it; and healthy for the environment.

[31] The Applicant submits that in using the slogan CANADA'S HEALTHIEST GROCERY STORE, the Applicant is not conveying the message that the products it sells are healthier than those of other grocery stores. It hypothesizes that if, for example, a competitor sells organic apples that meet the same quality standards or are from the same local producer, they would obviously be no less healthy and the public would understand this and therefore recognize that the Mark speaks to the core values of the Applicant and is not a claim that its products are superior to those of all other grocery stores.

[32] In support of its submissions regarding the consumer perception of the Mark, the Applicant makes reference to the Yost affidavit. Ms. Yost is the Assistant Secretary of a company affiliated with the Applicant [paras 1-2].

[33] In paragraph 3 of her affidavit, Ms. Yost states that the Applicant (and its affiliated companies) is the world's leading retailer of natural and organic foods [para 3]. According to Ms. Yost, the Applicant has more than 360 stores in North America (including 8 in Canada) [para 3; Exhibit A]. In paragraph 4, Ms. Yost states that from 2005-2010, the Applicant's total sales revenues exceeded \$41 billion (U.S.) and in 2013, alone, its revenues exceeded \$12.9 billion (U.S.). Ms. Yost states that the Mark has been widely used in Canada [para 6].

[34] Ms. Yost states that the Mark has been used in Canada since at least January 30, 2012 [para 6]. She also states that it has been prominently displayed by various means in the Applicant's stores in Canada [paras 7; Exhibit B]. However, she does not state how many stores the Applicant had in Canada at the time that the application for the Mark was filed, nor does she identify which or how many of those stores featured the Mark in the manner in which it is shown in the materials attached as Exhibit B to her affidavit.

[35] Due to the vague nature of Ms. Yost's evidence, it is impossible to ascertain how well-known the Mark might have been in Canada as of the filing date of the application. Likewise, I am also unable to draw any meaningful conclusions from Ms. Yost's affidavit regarding the extent to which Canadian consumers would have had any awareness or understanding of the Applicant's core values or the philosophy behind its services as of that date.

[36] Ms. Yost's affidavit includes exhibits showing use of the Mark on Facebook® with a brief description of the nature of the Applicant's business, as well as statements from Ms. Yost to the effect that she has visited the Applicant's stores in Canada, seen the Mark in use and is personally aware that the Mark is well-known in Canada [para 8; Exhibit C]. However, it is not clear when the Facebook® pages are dated or how widely they would have been viewed by Canadians. Overall, Ms. Yost's affidavit lends little support to the Applicant's submission that the Mark is merely suggestive of the overall health-conscious business philosophy of the Applicant. While that may well be why the Applicant chose the Mark, the evidence does little to assist the Applicant in establishing that this is what would likely be conveyed to consumers upon seeing the Mark as a matter of first impression within the context of the Applicant's services.

[37] In summary, I am unable to escape the conclusion, that as a matter of first impression, upon seeing the Mark in the context of the Applicant's services, the consumer is notified of the character and quality of those services, namely, that the Applicant is providing Canada's "healthiest" grocery store. As noted by the Opponent, the Mark essentially consists of a combination of commonly understood words having ordinary meanings, including the laudatory word "healthiest". I do not consider the Mark to be a unique or unusual combination of words. On the contrary, it is precisely the type of laudatory phrase that one might expect other grocery store operators to use (or wish to use) to describe their services. While consumers may not know exactly what makes the Applicant's grocery store the "healthiest" or why the Applicant would make such a claim, the message itself is clear, self-evident and plain.

[38] In view of the foregoing, I find that the Mark is clearly descriptive within the meaning of section 12(1)(b) of the Act.

[39] I note that a trade-mark that is not registrable by reason of being clearly descriptive under section 12(1)(b) of the Act can become registrable if it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration [section 12(2) of the Act; *Backrack Inc v STK, LLC* 2013 FC 424].

[40] In the present case, the Applicant has not claimed the benefit of section 12(2), nor has it made any submissions regarding the possible registrability of the Mark under section 12(2). Even

if it had raised this issue, I would not have found the Applicant's evidence sufficient to conclude that the Mark had become distinctive as of the filing date of the application.

[41] The date of first use claimed in the application for the Mark is "since at least as early as" January 30, 2012, which is only 3 days prior to the February 2, 2012 filing date of the application. The Yost affidavit does not provide any evidence of use of the Mark any earlier than January 30, 2012 and, as previously discussed, it contains very little detail overall regarding the extent of the Applicant's advertising, sales and use of the Mark prior to the filing date of the application. Given my findings with respect to the Yost affidavit, I do not consider it necessary to discuss the Stephan affidavit, as it was filed simply to refute statements made in the Yost affidavit.

[42] In view of the foregoing, this ground of opposition is successful.

Section 2

[43] The Opponent has pleaded that the Mark does not distinguish and is not adapted to distinguish the services of the Applicant from the same or similar services (i.e. retail grocery store services) of the Opponent and other retailers in Canada. The Opponent alleges that the Mark is a purely laudatory phrase that clearly describes the services and that it should be available to all providers of retail grocery store services.

[44] The material date to assess this ground of opposition is the filing date of the statement of opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

[45] A trade-mark that is clearly descriptive or deceptively misdescriptive is necessarily not distinctive [*Canadian Council of Professional Engineers v APA - The Engineered Wood* (2000), 7 CPR (4th) 239 (FCTD) at 253]. I have already found the Mark to be clearly descriptive of the character and quality of the Applicant's services as of the filing date of the application and I am unable to come to any other conclusion regarding its descriptiveness or distinctiveness as of the date of filing of the opposition.

[46] Accordingly, this ground of opposition is successful.

Section 30(i)

[47] Section 30(i) of the Act requires an applicant to include a statement in the application that the applicant is satisfied that it is entitled to use the trade-mark in Canada. Where an applicant has provided the required statement, the jurisprudence suggests that non-compliance with section 30(i) can be found only where there are exceptional circumstances that render the applicant's statement untrue, such as evidence of bad faith or non-compliance with a federal statute [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155; and *Canada Post Corporation v Registrar of Trade-marks* (1991), 40 CPR (3d) 221 (FCTD)]. The Applicant has provided the necessary statement and the evidence does not support a finding that this is an exceptional case.

[48] Accordingly, this ground of opposition is unsuccessful.

Section 12(1)(c)

[49] Section 12(1)(c) of the Act provides that a trade-mark is registrable if it is not the name in any language of any of the goods or services in association with which it is used or proposed to be used. In order to offend section 12(1)(c) of the Act, the trade-mark as a whole must be the name of the goods or services based upon the immediate and first impression of the everyday user of the goods and services [*ITV Technologies*, supra]. In this case, while the Mark as a whole clearly describes the Applicant's services, it is not the name of those services, which are appropriately described in the application for the Mark as being "retail grocery store services". I therefore cannot conclude that the Mark is unregistrable under section 12(1)(c) of the Act.

[50] Accordingly, this ground of opposition is unsuccessful.

Disposition

[51] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(8) of the Act.

Lisa Reynolds
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE: 2016-01-19

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