

TRANSLATION
THE REGISTRAR OF TRADE-MARKS

Citation: 2017 TMOB 84
Date of Decision: 2017-07-21
[UNREVISED ENGLISH
CERTIFIED TRANSLATION]

IN THE MATTER OF AN OPPOSITION

Ferrero S.p.A.
and

Opponent

A & V 2000 Inc.

Applicant

1,635,286 for NUTERRA & Design

Application

INTRODUCTION

[1] Ferrero S.p.A. (the Opponent) opposes the registration of the NUTERRA & Design trade-mark, illustrated hereinafter (the Mark):



[2] This application for registration, filed on July 11, 2013, bears No. 1,635,286 and is based on a proposed use in Canada. It covers the following goods: [TRANSLATION] crunchy breakfast cereals, namely organic or fair trade or granola, which may contain all kinds of nuts, dried fruits and chocolate (the Goods).

[3] The Opponent bases its opposition on the non-compliance of the application for registration (section 30(e) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act)), the non-registrability of the Mark (section 12(1)(d) of the Act), absence of the right to registration of the Mark (section 16(3)(a) and (b) of the Act) and non-distinctiveness of the Mark (section 2 of the Act).

[4] For the following reasons, I consider it appropriate to refuse the application.

THE RECORD

[5] The statement of opposition was filed on July 18, 2014. On August 18, 2014, the Applicant filed a counter statement denying the grounds of opposition argued by the Opponent. However, it admits that the Opponent's NUTELLA trade-mark is very well known in the field of chocolate-based spreads, without admitting anything more.

[6] In support of its opposition, the Opponent filed, as evidence in chief, the affidavit of Mr. Allan B. Cosman sworn on January 19, 2015, and 11 certificates of authenticity of each of the applications for registration and each of the registrations for the trade-marks on which it bases its position, more fully identified in Schedule A of my decision.

[7] The Applicant filed Mr. Daniel Bellas' affidavit, sworn on April 16, 2015.

[8] In rebuttal, the Opponent filed Mr. William Geraghty's affidavit, sworn on December 16, 2015.

[9] The parties each filed written arguments and were present at the hearing.

PRELIMINARY REMARKS

[10] I have studied all the evidence of record. However, I will limit myself to describing the relevant portions pertaining to the grounds of opposition analyzed hereinafter.

[11] The Applicant argues in its written argument that applications Nos. 1,675,363 and 1,693,320 should not be considered in the context of the ground of opposition based on section 12(1)(d) of the Act, because these are applications based on a proposed use. I agree with the Applicant that these applications cannot be considered under section 12(1)(d), but for a completely different reason. Indeed, only the marks registered in the Register and alleged in support of this ground of opposition can be considered under this ground of opposition.

[12] Moreover, since these two applications were filed after this application, they also cannot be considered under the ground of opposition based on section 16(3)(a) of the Act.

[13] In its written argument and during the hearing, the Applicant argued that the grounds of opposition based on confusion between the parties' marks were not argued sufficiently and should have been rejected in accordance with section 38(4) of the Act. In support of its arguments, it cites the following passage from the decision of the Federal Court of Appeal in *AstraZeneca AB v Novopharm Limited* 2001 FCA 112, paragr. 39:

“Pleadings precede evidence. The evidence subsequently adduced depends on the allegations contained in the statement of opposition and in the counterstatement. The sufficiency of these allegations is, under the Act, a prerequisite to the filing of evidence.

[14] However, the Federal Court of Appeal, a few months later, in *AstraZeneca AB v Novopharm Limited* 2002 FCA 387, added that the Registrar must account for the evidence of record when he must determine, at the stage of his decision, whether a ground of opposition is pleaded sufficiently.

[15] In our case, the Applicant did not adduce an interlocutory motion, before the filing of the evidence of record, seeking to settle the question of the sufficiency of the allegations contained in the Opponent's statement of opposition. Under the circumstances, the sufficiency of the allegations contained in the grounds of opposition based on confusion must be assessed with

regard to the evidence of record. In view of this, I find the Applicant was able to understand the scope of each of the grounds of opposition analyzed hereinafter.

[16] Finally, I must point out that I will not consider the allegations contained in paragraphs 14 to 16 and 19 of Mr. Bellas' affidavit, because they consist of his own assessment of the criteria enumerated in section 6(5) of the Act. This is a question of fact and law that it is up to the Registrar to settle, based on the evidence of record.

EVIDENTIARY BURDEN

[17] It is initially up to the Opponent to establish that its opposition is well-founded. However, the legal onus of showing that the Mark is registrable rests with the Applicant, according to the balance of probabilities [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); and *Dion Neckwear Ltd v Christian Dior, SA et al* (2002), 20 CPR (4th) 155 (FCA)].

GROUND OF OPPOSITION BASED ON SECTION 30(E) OF THE ACT

[18] This ground of opposition must be analyzed as of the filing date of the application for registration (July 11, 2013) [see *Canadian National Railway Co v Schwauss* (1991), 35 CPR (3d) 90 at page 94 (TMOB)].

[19] It is acknowledged that the Opponent may discharge its initial burden by referring to the evidence filed by the Applicant [see *Labatt Brewing Company v Molson Breweries, Partnership* (1996), 68 CPR (3d) 216 (FCTD)]. However, this evidence must raise serious doubts [see *York Barbell Holdings Ltd v ICON Health and Fitness, Inc* (2001), 13 CPR (4th) 156 (TMOB)]. In the present case, the Opponent effectively bases its argument on the evidence filed by the Applicant.

[20] The Opponent submits that the evidence filed by the Applicant proves that the mark used by the Applicant is not the Mark but rather another trade-mark. Thus, at the time of filing of its application, the Applicant did not intend to use the Mark in association with the Goods, but rather with another trade-mark.

[21] Mr. Bellas is President and Chief Executive Officer of the Applicant. He explains that the Applicant was constituted in 1996. He affirms that it imports and sells a wide variety of cereals, more specifically the Goods in association with the NUTERRA & DESIGN mark.

[22] Mr. Bellas filed photos of the packaging of the Goods bearing the Mark as Exhibit R-3 to his affidavit. The first sale of Goods in association with the Mark took place on December 17, 2013 to *Sobeys*, and he filed an invoice to this effect.

[23] It is on the basis of these photos (Exhibit R-3) that the Opponent bases its argument that the Applicant did not intend to use the Mark at the time of filing of its application for registration.

[24] On the photos of the packaging, the word “granola” appears immediately below the Mark, which itself is situated in the upper right-hand corner of the packaging box. Thus, according to the Opponent, the mark the Applicant wished to use was NUTERRA GRANOLA and Design, instead of the Mark.

[25] I disagree with the Opponent. According to the *Robert illustré 2018* dictionary, “granola” is a new word in the French language, defined as follows: [TRANSLATION] “muesli rendered crunchy by baking”. Although this word apparently was not defined in the French-language dictionaries on the relevant date, I find that I can take judicial cognizance that this word was commonly used in Quebec, at least, to designate this form of muesli, especially since the description of the goods refers expressly to this word. The *Oxford Dictionary of English* also defines the word “granola” in these terms: *a kind of breakfast cereal resembling muesli*.

[26] The addition of the descriptive term “granola” to the Mark does not result in the loss of its identity. Indeed, an uninformed shopper would conclude, in all probability, that the Mark and NUTERRA GRANOLA and Design both identify goods of the same origin [see *Canada (Registrar of Trade-marks) v Cie Internationale pour l’informatique CII Honeywell Bull, SA* (1985), CPR (3d) 523 (FCA)].

[27] In addition, I note that the evidence on which the Opponent bases its argument is subsequent to the relevant date.

[28] In the circumstances, I reject this ground of opposition.

GROUND OF OPPOSITION BASED ON SECTION 12(1D) OF THE ACT

[29] The relevant date for analyzing this ground of opposition is the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd* (1991), 37 CPR (3d) 413, on page 424 (FCA)].

[30] In support of its opposition, the Opponent filed the certificates of registration enumerated in Schedule A of this decision. I must point out that, for the purposes of this ground of opposition, I will only consider registered trade-marks. During the hearing, the Opponent's agent pointed out that the marks covered by applications Nos. 1,649,224 and 1,693,320 were now registered marks. However, I indicated to the Opponent that it had not amended its statement of opposition to add these registered marks under this ground of opposition. Consequently, they will not be taken into consideration under this ground of opposition.

[31] I checked the Register and can confirm that the relevant registrations identified in Schedule A of my decision are still valid. The Opponent has therefore fulfilled its initial burden of proof.

[32] For the purposes of this opposition, it is my opinion that the Opponent has better chances of success by referring to its NUTELLA word mark, which is the subject of registration TMA157,098. This registration covers the following goods: "A spread cream containing cocoa and other ingredients" (hereinafter referred to as "chocolate hazelnut spread"). In other words, if I conclude, according to the balance of probabilities, that there is no confusion between the Mark and this registered mark of the Opponent, I would conclude in the same sense by comparing the Mark to the Opponent's other registered marks identified in Schedule A of my decision.

[33] It is therefore incumbent on the Applicant to prove, according to the balance of probabilities, that the use of the Mark in association with the Goods does cause confusion with the Opponent's NUTELLA mark, registered in association with chocolate hazelnut spreads. The test to be applied to rule on this issue is stated in section 6(2) of the Act. This test does not

address confusion between the marks themselves, but rather confusion regarding the source of the Goods. Thus, I must determine whether a consumer who has an imperfect memory of the Opponent's NUTELLA mark and who sees the Mark used in association with the Goods would believe they are offered or authorized by the Opponent.

[34] I must take into account all relevant circumstances, including those listed in section 6(5) of the Act, i.e. the inherent distinctiveness of the trade-marks and the extent to which they have become known; the period during which the trade-marks have been in use; the type of goods, services or enterprises; the type of business; the degree of similarity between the trade-marks in their presentation or sound, or in the ideas they suggest. This list is not exhaustive and it is unnecessary to assign the same weight to each of these factors [see *Mattel Inc v 3894207 Canada Inc* 2006 SCC 22, 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* [2006] 1 SCR 824, 2006 SCR 23; and *Masterpiece Inc v Alavida Lifestyles Inc et al* 2011 SCC 27, 92 CPR (4th) 361 (SCC) for a more in-depth analysis of the general principles governing the test for confusion].

[35] As mentioned by the Supreme Court of Canada in *Masterpiece*, in most cases, the most important criterion is the degree of resemblance between the marks involved. I will therefore begin my analysis of the criteria enumerated in section 6(5) with this one.

Degree of Resemblance

[36] I remind you that my analysis pertains to the comparison between the Mark and the NUTELLA word mark. The Applicant claims that the Opponent's graphic marks and the Mark are distinctive, given the images represented. On this subject, the Applicant refers to the contents of Mr. Bellas' affidavit. In view of the marks I must compare, I do not have to determine the existence of absence of a resemblance between the Mark and the Opponent's other registered marks. However, due to certain arguments raised by the Applicant, I find it is relevant to summarize the evidence of record of use of the Mark.

[37] Mr. Bellas affirms that the Applicant's cereals are sold in packaging that has no resemblance to the containers of the NUTELLA chocolate hazelnut spreads, and he filed photos of the packaging of the parties' goods as Exhibit R-3 to his affidavit. However, it is not

necessary to compare the packaging on which the marks involved appear, but rather to consider the degree of resemblance between the marks as such, namely the Mark as represented in this application for registration with the Opponent's NUTELLA word mark [see *Corby Distilleries Ltd/Distilleries Corby Ltée v Wellington County Brewery Ltd* 1993 CarswellNat 2560, (1994) 52 CPR (3d) 429].

[38] According to the Applicant, given the evidence filed by the Opponent, it is the NUTELLA and Design mark, registration TMA312,429, that would be best known. The Applicant thus emphasizes the visual differences between the marks, on the one hand, the representation of a slice of bread covered with spread for the Opponent's mark, while the Mark contains the illustration of a silhouette of a person carrying a huge vase on her head.

[39] However, as mentioned previously, I find that the Opponent's NUTELLA word mark most closely resembles the Mark.

[40] On the subject of the Opponent's word marks, the Applicant cites the Federal Court of Appeal decision in *Pizzaiolo Restaurants Inc v Restaurants La Pizzaiolle Inc*, 2016 FCA 265, and more specifically paragraph 33:

Before concluding, I note that I agree with the appellant that one should be careful not to give the principle set out at paragraph 55 of *Masterpiece* too great a scope, for there would no longer be any need to register a design mark when one has a word mark.

[41] However, one month later, the Federal Court of Appeal made the following clarification in *Domaines Pinnacle Inc v Constellation Brands Inc*, 2016 FCA 302:

In our opinion, even if the respondents chose in the future to use the same font as the appellant, the Board's finding on the likelihood of confusion would remain a reasonable outcome, because the combination of word and design in the appellant's mark are sufficiently distinctive. In this way, the case at bar is distinguishable from this Court's recent decision in Pizzaiolo.

[42] Although the graphic portion of the Mark is a distinctive element, the word portion of the Mark must be taken into consideration nonetheless. Phonetically, the marks resemble each other due to the presence of the prefix "nut", an English word that means "noix" in French. Thus, for

an Anglophone, the Mark taken as a whole suggest that the cereals sold in association with this mark contain nuts. Moreover, this is mentioned in the description of the Goods.

[43] As for the Opponent's word mark NUTELLA, it is composed of the terms "nut" and "ella". For an Anglophone, this also contains a reference to "nuts". It can thus be considered suggestive of one of the ingredients of the chocolate hazelnut spread.

[44] Visually, the marks are different. The Mark consists of a design, and the word "NUTERRA" is written with a distinctive font.

[45] Overall, despite the visual differences due to the presence of a design as one of the components of the Mark, it nonetheless remains that the marks resemble each other, at least phonetically. They are distinguished from each other only by the sound of the two letters "L" of the Opponent's NUTELLA mark, replaced by two letters "R" in the NUTERRA word part. Moreover, each of these marks suggests that the goods associated with each of them contain nuts.

[46] In my opinion, overall, this factor slightly favours the Opponent, because an average consumer would tend to identify the Mark by its verbal portion rather than its visual portion I find, in this case, that it is easier for a consumer to identify the Mark by its verbal portion than by a verbal description of its figurative component.

The inherent distinctiveness of trade-marks and the extent to which they have become known

[47] There is no discussion of this criterion in the Applicant's written argument. During the hearing, the Applicant's agent did not really raise this subject, limiting himself to say that [TRANSLATION] "the immense name recognition" of the NUTELLA mark in association with chocolate hazelnut spreads means that the consumer will not be confused regarding the Mark, [TRANSLATION] "with the representation of a bowl of cereal" [see Exhibit R-3 to Mr. Bellas' affidavit]. I have already mentioned that I must compare the Mark as illustrated above, and not as it is currently used by the Applicant, with the Opponent's NUTELLA word mark.

[48] The Opponent argues, in its written argument, that the two marks are inherently distinctive. However, it adds that, overall, this factor favours it because the Opponent's mark is much better known than the Mark.

[49] Regarding the inherent distinctiveness of the marks, it is my opinion that the marks both have an inherent distinctiveness, because the word portion of the two marks consist of an invented word, although the first portion of these marks suggests the presence of nuts in the parties' goods [on this subject, see the Registrar's decision in *Ferrero SpA v Cantarella Bros Pty Ltd*, 2012 TMOB 45]. However, the Mark has a graphic element that adds to the Mark's distinctiveness. Under the circumstances, the first part of this criterion favours the Applicant.

[50] The distinctiveness of a mark may be enhanced through its use and promotion in Canada. This is the second part of this criterion. I thus will analyze the evidence of use of the marks involved, filed by each party.

Evidence of use of the NUTELLA mark by the Opponent

[51] Mr. Cosman is the President and Chief Executive Officer of Ferrero Canada Limited (Ferrero Canada). It was incorporated in 1974 and is an importer, manufacturer and distributor of confectionery and other food products. The Opponent is the principal shareholder of Ferrero Canada. Mr. Cosman explains that Ferrero Canada and the Opponent are controlled by Ferrero International S.A. The Ferrero family of companies (Ferrero Group) includes 73 Ferrero companies.

[52] I digress to mention that Mr. Cosman does not indicate clearly which entity uses the NUTELLA word mark in Canada. I note that the invoices filed by Mr. Cosman (Exhibit N to his affidavit) were all issued by Ferrero Canada. I also note that the Applicant did not raise the argument that the Opponent did not prove the existence of a licence so that it can benefit from the provisions of section 50 of the Act. On the contrary, the Applicant admits the name recognition of the NUTELLA mark in Canada in association with chocolate hazelnut spreads. Under the circumstances, I find that I do not have to address the question of whether I can infer the presence of control over the quality and characteristics of the spreads sold by Ferrero Canada by the mere allegation that the Opponent is the principal shareholder of Ferrero Canada.

However, for the purposes of my decision, it appears useful to me to describe the evidence of use in Canada of the NUTELLA word mark in association with chocolate hazelnut spreads.

[53] Mr. Cosman affirms that the Ferrero Group is one of the five biggest confectionery companies, with worldwide sales of more than 8.1 billion euros for the fiscal year ending August 31, 2013.

[54] Mr. Cosman explains that the year 2014 was the 50th anniversary of the spread sold in association with the NUTELLA trade-mark, which was created in Italy in 1964. The application for registration for this mark was filed in Canada in 1966, and it has appeared in the Register as a registered trade-mark since 1968. He alleges this mark has become one of the leading marks in the world, with total sales of over 365,000 tonnes in more than 100 countries, including Canada. It has over 630,000 Facebook fans in Canada. The newspapers describe it as a “legendary”, “iconic” brand and [TRANSLATION] “the world’s favourite hazelnut spread” (see Exhibit F to his affidavit).

[55] Mr. Cosman adds that the 50th anniversary of the NUTELLA trade-mark was celebrated in Canada in Toronto, Montreal, Vancouver and Quebec City, at the same time as in the following countries: United States, Italy, Germany, France, Russia, Poland and the United Kingdom. He affirms this mark is registered (or in the process of registration) in the Opponent’s name in nearly 100 countries.

[56] Mr. Cosman lists the marks held by the Opponent in Canada (see the marks identified in Schedule A), covering what he calls “the NUTELLA products”. Since Mr. Cosman does not do a breakdown of the different goods listed in Schedule A, and the sales figures in paragraph 16 of his affidavit are expressed not only in Canadian dollars but in kilograms, I will presume, for the purposes of my decision, that these are chocolate hazelnut spread sales figures.

[57] Mr. Cosman alleges that the Opponent, directly or through Ferrero Canada, has sold the NUTELLA products in Canada since at least 1968. He claims the NUTELLA products are versatile and fall into the category of snacks or breakfast food. In the latter category, the NUTELLA products are alternatives to soft bars, cereals, muffins, etc. Its versatility as a

breakfast food is put forward in the advertising. He filed examples of this advertising as Exhibits H to K to his affidavit.

[58] Mr. Cosman also filed samples of packaging (see Exhibit L to his affidavit) of the NUTELLA products sold in Canada between 1979 and 2014, which all bear one of the NUTELLA marks identified in Schedule A. He affirms that display cases are used to promote NUTELLA products in the stores. He filed as Exhibit M examples of these display cases used between 1997 and 2014.

[59] Mr. Cosman provides the annual sales figures of the NUTELLA products in Canada in terms of volume and amounts collected for the years 1994/95 to 2013/14; they range between 12 million and 79 million dollars. He also provides the sales figures by region in Canada for the years 2006/07 and 2007/08 (from September 1 to August 31).

[60] Based on the figures obtained from A.C. Homescan, a firm that accounts for market shares in Canada, Mr. Cosman provides the market share, by region of Canada, for the NUTELLA products between 2008 and 2014.

[61] Mr. Cosman also files samples of invoices issued by Ferrero Canada to different types of customers located in Canada for the sale of NUTELLA products from 2006 to 2014 [see Exhibit N to his affidavit].

[62] Regarding advertising, Mr. Cosman explains that the Ferrero Group has invested considerable sums to promote the NUTELLA products. Thus, since 1999, the Ferrero Group has spent at least \$3 million a year in Canada. He affirms this amount increased over the year to exceed \$8.6 million for the fiscal year ending August 31, 2014.

[63] Mr. Cosman filed the scripts of different commercials aired on television in Canada between 2006 and 2012 (Exhibits O, P and Q to his affidavit). He explains how the audience that viewed these commercials is measured (Gross Rating Points (GRP)) and he provides these figures for the period from 2004/05 to 2013/14. Based on these figures, Mr. Cosman affirms that, since 2008, nearly one out of four Canadian households has purchased a NUTELLA product per year.

[64] Mr. Cosman provides other examples of promotion of the NUTELLA products in Canada: whether via its website, promotional campaigns during breakfasts, distribution of samples, and advertising in publications [see Exhibits H, I, J, R and S to his affidavit].

[65] Mr. Cosman explains that the Opponent, through the Millward Brown firm, conducts market studies to determine the point to which the NUTELLA mark is known by Canadians. Thus, in October 2008, the study conducted by this firm showed that 98% of the respondents across Canada knew the NUTELLA mark. For the years 2009–2013, this percentage was never lower than 96%.

[66] Regarding which breakfast spread mark comes first in the minds of consumers, Mr. Cosman affirms, based on the data compiled by the A.C. Nielsen Homescan firm, that since 2008, NUTELLA is the mark that ranks first.

[67] In light of this evidence, I find that I can conclude that the NUTELLA mark used in association with the chocolate hazelnut spread is well known, if not famous in Canada. Moreover, as mentioned previously, the Applicant admits this [see paragraph 2.3.1 of its written argument].

Evidence of use of the Mark

[68] As mentioned previously, Mr. Bellas affirms that the first cereal sale in association with the Mark occurred on December 17, 2013 at *Sobeys* [see Exhibit R-1 to his affidavit].

[69] Mr. Bellas provides the cereal sales figures in association with the Mark up to March 31, 2015, which total over \$135,000.

[70] Mr. Bellas affirms that the Applicant promotes cereals in association with the Mark via Amazon.com and Amazon.ca, and he filed an example of such a promotion (Exhibit R-4 to his affidavit). Advertising also appeared in *Fair Trade* magazine, distributed free of charge across Canada in over 425,000 copies.

[71] Mr. Bellas adds that the Applicant also promoted cereals in association with the Mark by a poster on underground billboards in ten Montreal metro stations between the beginning of

October and mid-November 2014. He files a copy of a photograph of such a billboard as Exhibit R-6 to his affidavit.

[72] Mr. Bellas affirms that the cereals sold in association with the Mark won an award in Canada on June 4, 2014 in the “*Shelf-Stable Prepared Food & Entries*” category in a competition organized by the *Retail Council of Canada*.

[73] In light of this evidence of use of the Mark by the Applicant, I find it reasonable to conclude that the Mark used in association with cereals has become known in Canada to some extent, although to a lesser degree than the Opponent’s NUTELLA mark.

[74] Thus, from all the evidence of record, I conclude that, overall, the first factor enumerated in section 6(5) of the Act favours the Opponent. Indeed, although the mark has a greater inherent distinctiveness than the Opponent’s NUTELLA mark, the latter mark is much better known in Canada than the Mark.

[75] I find that the name recognition of the NUTELLA mark clearly tips the scale in favour of the Opponent for the first criterion described in section 6(5) of the Act.

The period during which the trade-marks have been in use

[76] Based on the evidence of use of the parties’ marks described above, this factor clearly favours the Opponent.

The type of goods and the nature of the trade

[77] In considering the type of goods, and the nature of the trade, I must compare the statement of goods covered by the application under opposition with the statement of goods covered by the registration(s) claimed in the statement of opposition [see *Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[78] However, the statement of goods described in the certificate of registration TMA157,098 for the Opponent’s NUTELLA mark and the goods identified in the Applicant’s application for

registration must be read so as to determine the nature of the trade of the parties. Evidence of the nature of the commercial activities carried on by the parties is useful in this sense [see *McDonald's Corp v Coffee Hut Stores Ltd* 1996 CanLII 3963 (FCA), (1996), 68 CPR (3d) 168 (FCA) and *American Optical Corp v Alcon Pharmaceuticals Ltd* 2000 CarswellNat 3328, 5 CPR (4th) 110 (TMOB)].

[79] The Applicant argues that the parties' goods are different. On the one hand, the Goods are cereals [TRANSLATION] "namely organic, or fair trade, or granola", whereas the name recognition of the NUTELLA marks is limited to the chocolate hazelnut spread.

[80] The Opponent argues that the registered marks enumerated in Schedule A cover goods other than spreads, including biscuits (NUTELLA & GO and Design), and breakfast cereals (NUTELLA PROFESSIONAL LINE and Design). However, the latter mark involves an application for registration and not a registered mark. It thus cannot be taken into consideration in the context of the ground of opposition based on section 12(1)(d) of the Act, except for an observation I will take the liberty of making later.

[81] The Opponent adds that I must account for the fact that the advertising to promote the sales of its chocolate hazelnut spread in association with the NUTELLA mark prominently states that this is a product consumed at breakfast, like the Applicant's cereals. On this subject, the Opponent refers to the following exhibits, attached to Mr. Cosman's affidavit:

- Exhibit H: excerpts from the Opponent's website, where the following quotation appears: *"adds a touch of joy to breakfast to help parents overcome some of their key breakfast challenges such as picky eaters and a lack of breakfast ideas for kids"*;
- Exhibit I: advertising and promotional activities under the slogans: *"Breakfast made fun"*, *"The Great Breakfast Giveaway"*, *"Team Breakfast"* and *"The Unforgettable Breakfast Adventure"*;
- Exhibit J: sponsorship slogan activities: *"Better Breakfast Challenge"*;
- Exhibit K: title on Facebook page: *"Nutella Breakfast table"*.

[82] I would add that certain packaging filed as Exhibit L to Mr. Cosman's affidavit also refers to breakfast. For example, we find the following mentions: "Composez un meilleur

déjeuner” (Make a better breakfast), “Bon déjeuner. Bonne journée.” (Good breakfast. Good day); “40 ans de déjeuner au Canada” (40 years of breakfast in Canada).

[83] The evidence shows that the Opponent’s NUTELLA spreads are consumed at breakfast, just like the Applicant’s Goods in association with the Mark. Moreover, the description of the Goods begins with the following words: [TRANSLATION] “Breakfast cereals...”

[84] Although there is a difference between spreads and cereals, in both cases, they are foods consumed mainly at breakfast. I must point out that the Opponent has filed an application for registration for the NUTELLA PROFESSIONAL LINE and Drawing mark No. 1,619,527, which includes not only different spreads, but also cereals. This proves, given the nature of these goods, that the addition of cereals to the spreads is a natural extension of the line of goods sold in association with the NUTELLA mark, considering the nature of the Opponent’s trade [see *Kendall Co v W. Ralston & Co (Canada) Ltd* (1959) 31 CPR 92 (TMOB)].

[85] Concerning the distribution niches of the parties’ respective goods, Mr. Bellas alleges that the Goods are sold in different major grocery stores in Eastern Canada, primarily in the Province of Quebec, such as: *IGA*, *Metro* and *Metro Plus*. He adds that in all these stores, the cereals bearing the Mark are offered in the natural and organic cereals section, and that this section does not display any Nutella products. In support of this allegation, as Exhibit R-2 to his affidavit, he filed a photograph illustrating such a section.

[86] Mr. Bellas also affirms he noticed that [TRANSLATION] “the NUTELLA goods are displayed in their sections reserved for jams and spreads”.

[87] In response to this evidence, the Opponent filed the affidavit of Mr. Geraghty, a private investigator from the firm Xpera Risk Mitigation & Investigation (Xpera). He explains that the Opponent’s agents’ firm retained Xpera’s services to conduct a market survey in different stores located in Ontario. He thus visited seven stores and provides the details of these visits. In each of the stores visited, he found the place where “[TRANSLATION] the NUTELLA mark spreads” are offered; he observed and noted whether organic products were positioned in the same aisle; he also observed and noted whether granola goods were offered in the same aisle.

[88] I retain the following points from this evidence:

- in one *Shoppers Drug Mart* pharmacy, he recognized the presence both of NUTELLA chocolate hazelnut spread and organic products, including organic peanut butter, organic canned tomatoes, and organic crackers; and in the same aisle he saw oatmeal cereals (Exhibit A to his affidavit);
- in the *Real Canadian Superstore* grocery, he recognized the presence in the same aisle of NUTELLA chocolate hazelnut spread and organic jams, organic maple syrup and organic applesauce; and in the same aisle he noted the presence of cereals such as *Honey Bunches of Oats*, *Harvest Crunch* and *Special K Granola* (Exhibit B to his affidavit);
- at *Costco*, he noted the presence, in the same aisle where the NUTELLA chocolate hazelnut spread is found, of organic honey, organic butter, organic maple syrup, organic fruit snacks and oat and grain cereals, such as *Nature's Path Sunrise* and *Crunchy Maple* (Exhibit C to his affidavit);
- at the *Mac's* convenience store, in the same aisle where the NUTELLA chocolate hazelnut spread was found, he noted the presence of *Raisin Brand [sic]* cereals and oat cereals (Exhibit D to his affidavit);
- at the *No Frills* grocery, in the same aisle where the NUTELLA chocolate hazelnut spread was found, he noted the presence of organic products, such as organic soy-based beverages; and in the same aisle, he also noted the presence of a variety of cereals and grain products, including the *Harvest Crunch* and *Mini Wheat* cereals (Exhibit E to his affidavit);
- at the *Jarvis Convenience & Dry Cleaning* convenience store, he noted the NUTELLA chocolate hazelnut spread was located at the end of a short aisle at the end of which, within two feet, *Honey Bunches* cereals and oat cereals were found (Exhibit F to his affidavit).

[89] This evidence proves that stores exist where cereals and the NUTELLA chocolate hazelnut spread can be offered for sale in the same aisle. This can easily be explained by the fact these goods are consumed mainly at breakfast.

[90] From all of this evidence, I conclude that, although the parties' goods are not the same, they are breakfast foods. Moreover, they are offered in the same type of stores and often in the same aisle. Thus, the factors described in sections 6(5)(c) and (d) of the Act favour the Opponent [on this subject, see the Registrar's conclusion in *Cantarella, op.cit.*].

[91] I must point out that the Applicant, during the hearing, argued that it is not the Registrar's decision in *Cantarella* that applies in our case, but rather the Federal Court of Appeal judgment in *Alticor inc and Quixtar Canada Corporation v Nutravite Pharmaceuticals Inc, 2005 FCA 269*, at paragraphs 2–3 and 34. I agree with the Opponent's position regarding the *Alticor* decision. It is distinguished from this case due to the fact that it concerns a trade-mark infringement action. Moreover, there was an important distinction regarding the distribution niches of the parties' products (retail stores versus brokerage).

Other additional circumstances

[92] Mr. Bellas affirms that [TRANSLATION] “since the first use of the [Mark] on December 17, 2014 (sic), (...) [he] is not aware of any fact or situation giving reason to anticipate a possibility or likelihood of confusion between [the parties' marks].”

[93] It is true that in *Mattel, supra* the Supreme Court of Canada indicated that the absence of evidence of cases of confusion could be a relevant circumstance tending to prove the absence of likelihood of confusion. However, the absence of evidence of cases of confusion will be retained to support a conclusion of absence of likelihood of confusion in cases where the analysis of the relevant factors enumerated in section 6(5) tends to support such a conclusion, especially when the evidence proves the marks coexisted for a long period of time and the sales of the goods under study are substantial [see *Philip Morris Products SA v Malboro Canada Ltd 2012 FCA 201* and *Responsive Brands Inc v 22480003 Ontario Inc, 2016 FC 355*].

[94] The Opponent did have to prove cases of confusion. I find that the absence of evidence of cases of confusion, under the circumstances in the case at bar, is not a determining factor that would have had the effect of counterbalancing the factors favouring the Opponent.

Conclusion

[95] As mentioned previously, it is the Applicant who has the ultimate onus of proving, according to the balance of probabilities, that its application for registration for the Mark in association with the Goods meets the requirements of the Act. The presence of this onus on the Applicant means that, if no determining conclusion can be reached once all the evidence is considered, then the whole case must be decided in its disfavour.

[96] Following this analysis of all the relevant criteria based on the evidence of record, I conclude that the Applicant has not discharged its ultimate onus to prove, according to the balance of probabilities, that the Mark is not confusing with the Opponent's NUTELLA mark. I arrive at this conclusion because: the marks resemble each other phonetically, even though they are distinguished visually. Both suggest the presence of nuts in a food product mainly consumed at breakfast. The NUTELLA mark is well-known in Canada, if not famous. Finally, the parties' goods are distributed through the same distribution niches. Thus, the balance of probabilities would at most be equal for the Applicant.

[97] In view of my conclusion in the Applicant's disfavour, in comparing the Mark to the NUTELLA mark, certificate of registration TMA157,098, I do not have to rule on the likelihood of confusion between the Mark and each of the Opponent's other registered trade-marks identified in Schedule A of my decision.

[98] Therefore, I accept the ground of opposition based on section 12(1)(d) of the Act

GROUND OF OPPOSITION BASED ON SECTION 16(3)(A) OF THE ACT

[99] This ground of opposition must be analyzed at the date the application for registration was filed (July 11, 2013) [see section 16(3) of the Act].

[100] Under this ground of opposition, the Opponent had to prove that, before the relevant date, it used its marks enumerated in Schedule A of this decision. The evidence of use of the NUTELLA mark in association with spreads, described under the previous ground of opposition, is sufficient to conclude that the Opponent has discharged its initial burden. Since the chances of success are better for the Opponent with its NUTELLA word mark, used in association with the

chocolate hazelnut spread, I find it is not necessary to determine whether the Opponent proved the previous use of its other trade-marks in association with each of the goods identified in Schedule A of my decision.

[101] Thus, it was up to the Applicant to prove, according to the balance of probabilities, that the Mark was confusing, at the relevant date, with the NUTELLA trade-mark used in association with chocolate hazelnut spread.

[102] The analysis of the different relevant criteria, at a date previous to the one associated with the preceding ground of opposition, in no way changes my conclusions on any of them. I must point out that, if I committed an error in concluding that the coexistence of the parties' goods without evidence of cases of confusion was not a determining factor that could tip the scale in favour of the Applicant under the previous ground of opposition, the situation is completely different under this ground of opposition. Indeed, in view of the relevant date, the evidence of coexistence of the marks does not have to be considered, since it is subsequent to the filing of this application for registration.

[103] Ultimately, I therefore arrive at the same finding, namely that the Applicant has not discharged its ultimate onus of proving, according to the balance of probabilities, that the Mark, at July 11, 2013, was not confusing with the Opponent's NUTELLA mark when this was used in association with spreads.

[104] Thus, I also accept the ground of opposition based on section 16(3)(a) of the Act, regarding the NUTELLA trade-mark used previously to the Mark in association with chocolate hazelnut spread.

OTHER GROUNDS OF OPPOSITION

[105] Since the Opponent has prevailed based on two distinct grounds of opposition, I find it unnecessary to analyze the other grounds of opposition.

ADDITIONAL REMARKS

[106] Although I do not have to analyze the ground of opposition based on section 16(3)(b) of the Act, namely that the Mark was confusing with the applications for registration pending at the time this application was filed, I wish to make the following comments. In its written argument, the Applicant points out that application No. 1,619,527 for the NUTELLA PROFESSIONAL LINE and Drawing trade-mark, covering cereals, among other goods, had been discontinued on April 13, 2016. Yet section 16(4) stipulates that only applications for registration that were no longer pending at the time of the announcement of this application (May 21, 2014) cannot be an obstacle to the registration of a trade-mark covered by an application for registration. Despite its discontinuation, it thus remained relevant under this ground of opposition [see *ConAgra Inc v McCain Foods Ltd* (2001), 14 CPR (4th) 288 (FCTD)].

DECISION

[107] In exercising the authority delegated to me pursuant to subsection 63(3) of the Act, I refuse the application for registration in application of subsection 38(8) of the Act.

Jean Carrière
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Certified translation
Arnold Bennett

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

DATE OF HEARING: 2017-05-31

APPEARANCES

Lailah Y. Chan

FOR THE OPPONENT

Georges N. Parent

FOR THE APPLICANT

AGENT(S) OF RECORD

Bennett Jones LLP



FOR THE OPPONENT


Georges N. Parent


FOR THE APPLICANT

SCHEDULE A

Trade-mark	Application number/ Registration number	Goods and services
NUTELLA	TMA157,098	A spread cream containing cocoa and other ingredients
NUTELLA	Application No. 1,693,320	<i>Delivery of food and beverages by restaurants, namely providing of food and beverages for consumption on and off the premises.</i>
NUTELLA	Application No. 1,675,363	<p>Jams, fruit compotes; milk and dairy products.</p> <p>Flour and preparations made from cereals, namely processed cereals, breakfast cereals, unprocessed cereals; bread, pastry; edible ices, namely frozen confectionery, frozen desserts; honey; pastry, dessert, namely, dessert mixes, dessert mousse, dessert puddings, frozen desserts, bakery desserts; sweet pastes for spreading, namely caramel sauces for spreading, chocolate pastes, sweet sauces, namely, chocolate sauces, caramel sauces, fruit coulis.</p> <p>Non-alcoholic beverages with milk, cocoa, coffee or tea as a main ingredient; fruit beverages and fruit juices; fruit-flavored beverages; vegetable-flavored beverages; iced fruit beverages, frozen fruit beverages.</p> <p>Hazelnut spread cream, spread cream containing hazelnuts and other ingredients, cocoa spread cream; spread cream containing cocoa and other ingredients.</p> <p>Confectionery, namely chocolate confectionery and cocoa based confectionery.</p>

	TMA312,429	Hazelnut chocolate spread
	TMA792,519	<p>(1) Confectionery, namely, chocolate confectionery and cocoa based confectionery, chocolate spread cream, cocoa spread cream; bread and biscuits, namely breadsticks.</p> <p>(2) Confectionery, namely, chocolate confectionery and cocoa based confectionery, chocolate spread cream, cocoa spread cream; bread and biscuits, namely breadsticks.</p>
NUTELLA FUEL THE DAY	TMA809,612	<p>(1) Confectionery, namely, chocolate confectionery and cocoa based confectionery; hazelnut spread cream, hazelnut chocolate spread, chocolate spread cream, cocoa, cocoa spread cream, a spread cream containing cocoa and other ingredients; bread and biscuits, namely, breadsticks; non-alcoholic tea-based beverages.</p>
NUTELLA FAITES LE PLEIN D'ÉNERGIE	TMA809,613	<p>(1) Confectionery, namely, chocolate confectionery and cocoa based confectionery; hazelnut spread cream, hazelnut chocolate spread, chocolate spread cream, cocoa, cocoa spread cream, a spread cream containing cocoa and other ingredients; bread and biscuits, namely, breadsticks; non-alcoholic tea-based beverages.</p>
BREAKFAST LOVES NUTELLA	TMA880,170	<p>(1) Confectionery, namely, chocolate confectionery and cocoa based confectionery; hazelnut spread cream, hazelnut chocolate spread, chocolate spread cream, cocoa, cocoa spread cream, a spread cream containing cocoa and other ingredients; biscuits, cakes, pastry, bread, namely breadsticks; non-alcoholic teabased beverages.</p>
LE DÉJEUNER ADORE	TMA882,287	(1) Confectionery, namely, chocolate

LE NUTELLA		confectionery and cocoa based confectionery; hazelnut spread cream, hazelnut chocolate spread, chocolate spread cream, cocoa, cocoa spread cream, a spread cream containing cocoa and other ingredients; biscuits, cakes, pastry, bread, namely breadsticks; non-alcoholic teabased beverages
	Application No. 1,619,527	<p>(1) Jams, fruit compotes; milk and dairy products; flour and preparations made from cereals, namely processed cereals, breakfast cereals, unprocessed cereals; bread, pastry, confectionery, namely chocolate confectionery and cocoa based confectionery; hazelnut spread cream, spread cream containing hazelnuts and other ingredients, cocoa spread cream; spread cream containing cocoa and other ingredients; edible ices and powder for making edible ices, namely frozen confectionery, frozen desserts; honey; pastry mixes, dessert mixes; sweet pastes for spreading, namely caramel pastes for spreading, sweet sauces namely, chocolate sauces, caramel sauces, fruit coulis; non-alcoholic beverages with milk, cocoa, coffee or tea as a main ingredient; preparations for non-alcoholic beverages, namely powders or syrups for the preparation of chocolate or cocoa flavoured soft drinks, coffee flavoured soft drinks, tea flavoured soft drink, smoothies, non-alcoholic cocktail mixes ; fruit beverages and fruit juices; fruit-flavored beverages; vegetable-flavored beverages; syrups for the preparation of beverages and powders for the preparation of beverages, namely fruit-flavored beverages, vegetable-flavored beverages; iced fruit beverages, frozen fruit beverages.</p> <p>. Delivery of food and beverages by restaurants, namely providing of food and beverages for consumption on and off the premises; providing temporary housing</p>

 <p>50 years full of Stories ans d'histoires entre nous nutella FERRERO</p>	<p>Application No. 1,649,224</p>	<p>accommodations, namely hotel rooms. <i>Chocolate and chocolate products, namely cocoa based spread cream and hazelnuts based spread cream.</i></p>
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