

# Canadian Intellectual Property Office

## THE REGISTRAR OF TRADEMARKS

**Citation:** 2024 TMOB 111

**Date of Decision:** 2024-06-13

## IN THE MATTER OF AN OPPOSITION

**Opponent:** Loblaws Inc.

**Applicant:** MEIJI CO., LTD.

**Application:** 1,911,726 for MELTYBLEND

### THE RECORD

[1] The application for the trademark MELTYBLEND (the Mark) was filed on July 26, 2018, based on MEIJI CO., LTD.'s (the Applicant) proposed use of the Mark in Canada in association with the following Goods in Nice Class 30:

(1) Pastries; chocolates; chocolate coated biscuits; biscuits; cookies; crackers; pretzels; fruit jellies (confectionery); candies; chewing gums; ice cream.

[2] The application was advertised for opposition in the *Trademarks Journal* of November 18, 2020. On May 18, 2021, Loblaws Inc. (the Opponent) opposed the application by filing a statement of opposition pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act).

[3] The Opponent raises a number of grounds of opposition including grounds based on sections 12(1)(d) and 16(1)(a) of the Act and non-distinctiveness primarily on the basis of confusion with the Opponent's trademark MELTS (registration No. TMA744,593) in association with chocolate and candy confections. The Opponent also alleges that the Applicant has not used and does not intend to use the Mark (section 38(2)(e)) and is not entitled to use the Mark (section 38(2)(f)).

[4] The Applicant filed a counter statement denying the grounds of opposition.

[5] The Opponent filed as its evidence a certified copy of its registration for the trademark MELTS and the affidavits of Andrea Woudstra, its Product Manager, Confectionary & Seasonal Confectionary and Amanda Wolczanski, a student-at-law with the Opponent's prior agent. The Applicant filed the affidavit of Michael Duchesneau, a law clerk, and Dane Penney, a trademark searcher, both employed by the Applicant's agent. Both parties filed written representations. A hearing was not held.

### **ONUS AND LEGAL BURDEN**

[6] The legal onus is on an applicant to show that the application complies with the provisions of the Act. However, there is an initial evidential burden on an opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once this initial burden is met, an applicant must satisfy the Registrar, on a balance of probabilities, that the grounds of opposition pleaded should not prevent the registration of the Mark [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298, 1990 CanLII 11059; *Dion Neckwear Ltd v Christian Dior, SA*, 2002 FCA 29].

### **REASONS FOR DECISION**

#### ***Section 12(1)(d) Ground of Opposition***

[7] The material date to assess a section 12(1)(d) ground of opposition is the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* 1991 CanLII 11769 (FCA)].

[8] Pursuant to section 12(1)(d) of the Act, the Opponent pleads that the Mark is not registrable because it is confusing with its trademark MELTS (registration No. TMA744,593 in association with chocolate and candy confections.

[9] I have exercised my discretion to check the Register and confirm that the Opponent's registration remains extant [see *Quaker Oats Co Ltd of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. The Opponent has therefore met its initial evidential burden with respect to this ground of opposition.

[10] As a result, the Applicant bears the legal onus of demonstrating on a balance of probabilities that there is no reasonable likelihood of confusion between the Mark and the Opponent's registered trademark.

#### Test for confusion

[11] The test for confusion is set out in section 6(2) of the Act which provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would likely lead to the inference that the goods and services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods and services are of the same general class or appear in the same class of the Nice Classification. Therefore, section 6(2) of the Act does not deal with confusion between trademarks themselves, but with the likelihood that the goods or services from one source will be perceived as being from another source.

[12] In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time the trademarks have been in use; (c) the nature of the goods and services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [*Veuve Clicquot Ponsardin v Boutiques*

*Cliquot Ltée*, 2006 SCC 23; *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 54].

[13] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees an applicant's mark, at a time when they have no more than an imperfect recollection of an opponent's trademark, and do not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot, supra*, at para 20].

Inherent distinctiveness of the trademarks and the extent to which they have become known

[14] The overall consideration of this factor involves a combination of inherent and acquired distinctiveness of the trademarks.

[15] The Mark has a higher degree of inherent distinctiveness than the Opponent's trademark MELTS. The Mark is a coined word. In contrast, the Opponent's trademark MELTS is a dictionary word. To the extent that both parties' trademarks suggest that the associated products can melt in a consumer's mouth their inherent distinctiveness would be similarly impacted.

[16] There is no evidence that the Mark has acquired any distinctiveness. In contrast, the Opponent's trademark has acquired significant distinctiveness in association with chocolate and candy confections as evidenced in the affidavit of Ms. Woudstra and summarized below.

- (a) The Opponent is a retail operations company and trademark owner, and a wholly owned subsidiary of Loblaw Companies Limited, Canada's largest food distributor (para 2).
- (b) The Mark appears on packaging of chocolates and confectionary along with public notice as to the owner of the trademark (Exhibit 2). An example of the part of packaging featuring the Mark is set out below.

**DARK CHOCOLATE**  
**PEPPERMINT**  
**MELTS® · RÉGALS**  
**MENTHE POIVRÉE**  
**CHOCOLAT NOIR**

- (c) Annual sales of chocolate and confectionary with the Opponent's registered trademarks in Canada ranged between 200,000 and 500,000 units between 2014-2020 (para 15).
- (d) There has been extensive and significant advertising of the MELTS trademark across Canada in flyers and on websites (paras 17-18; Exhibits 7-8).

[17] In view of the foregoing, it is clear that the section 6(5)(a) factor favours the Opponent insofar as that factor refers to the extent to which the trademarks have become known. The lack of inherent distinctiveness, however, cannot be ignored in the confusion analysis, even though the Opponent's trademark has acquired a significant reputation [*London Drugs Ltd v International Clothiers Inc*, 2014 FC 223 at para 53].

Length of time the trademarks have been in use

[18] The Opponent's evidence is that it has used the MELTS trademark on chocolate and confectionary since 1992 and provides evidence of significant sales since 2014 (paras 7, 15). In contrast, there is no evidence that use of the Mark has commenced.

Nature of the goods, services or business; and nature of the trade

[19] The parties' goods are identical with respect to chocolates and candies and overlap with respect to the desserts and snack foods listed in the application. With respect to the nature of trade, both parties' goods would be sold in similar locations such as grocery and drug stores and with respect to at least some of the Goods in close proximity to one another (Wolczanski affidavit).

#### Degree of resemblance between the trademarks

[20] Section 6(5)(e) of the Act makes it clear that all of appearance, sound and idea suggested by the trademarks at issue are to be considered when assessing degree of resemblance. Further, the trademarks must be considered in their totality. The appropriate test is not a side-by-side comparison but an imperfect recollection in the mind of a consumer of another party's trademark [*Veuve Clicquot*, *supra* at para 20].

[21] In the present case, I do not consider there to be anything striking or unique about the Opponent's mark MELTS. In the case of the Mark, I consider it to be a unitary phrase consisting of two descriptive terms MELTY and BLEND. To the extent that both of the parties' trademarks include MELT, there is a fair degree of resemblance. There are, however, some visual and phonetic differences between the parties' marks. In addition, the Mark possesses a somewhat different connotation, as it suggests that its associated goods involve a blend of chocolates, candy or other foods that melt. Overall, when all three aspects of resemblance are considered together, I find that the parties' marks are more different than alike, but only slightly so. The fifth factor therefore favours the Applicant.

#### Surrounding circumstance: jurisprudence concerning weak trademarks

[22] The jurisprudence on weak trademarks favours the Applicant. It is well accepted that comparatively small differences will suffice to distinguish between weak trademarks [*Boston Pizza International Inc v Boston Chicken Inc* (2001), 15 CPR (4th) 345 (FCTD) at para 66]. As explained in *Provigo Distribution Inc v Max Mara Fashion Group SRL* (2005), 46 CPR (4th) 112 (FCTD) at para 31:

The two marks being inherently weak, it is fair to say that even small differences will be sufficient to distinguish among them. Were it otherwise, first user of words in common use would be unfairly allowed to monopolize these words. A further justification given by courts in coming to this conclusion is that the public is expected to be more on its guard when such weak trade names are used ...

[23] In the present case, the Opponent's trademark is very suggestive, accordingly it must accept some risk of confusion [*General Motors v Bellows* (1949), 10 CPR 101 at 115-116 (SCC)].

#### State of the Register and Marketplace

[24] The Applicant has evidenced that there are at least 10 trademarks that include MELT, MELTS or MELTY registered or allowed for chocolate, confectionary or candy (Penney affidavit, Exhibit A), including:

- MINT MELTAWAYS registered by Fannie May Confections, Inc. for candy;
- CANDY MELTS registered by Wilton Industries, Inc. for candy pieces for use in the home preparation of other confectionaries;
- THE MILK CHOCOLATE MELTS IN YOUR MOUTH-NOT IN YOUR HAND registered by Mars Canada Inc. for chocolate candy.
- EASIMELT registered by Barry Callebaut AG for chocolate, chocolate products and chocolate coating;
- FEEL THE BUBBLES MELT registered by Société des Produits Nestlé S.A. for chocolates and candy.
- SMOOTH 'N MELTY registered by Guittard Chocolate Co. for candy.

[25] 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 [see *Ports International Ltd. v Dunlop Ltd.* (1992), 41 CPR (3d) 432; *Del Monte Corporation v Welch Foods Inc.* (1992), 44 CPR (3d) 205 (FCTD); *Kellogg Salada Canada Inc. v Maximum Nutrition Ltd.* (1992), 43 CPR (3d) 349 (FCA)]. In this case, there are insufficient registrations to make an inference about the state of the marketplace.

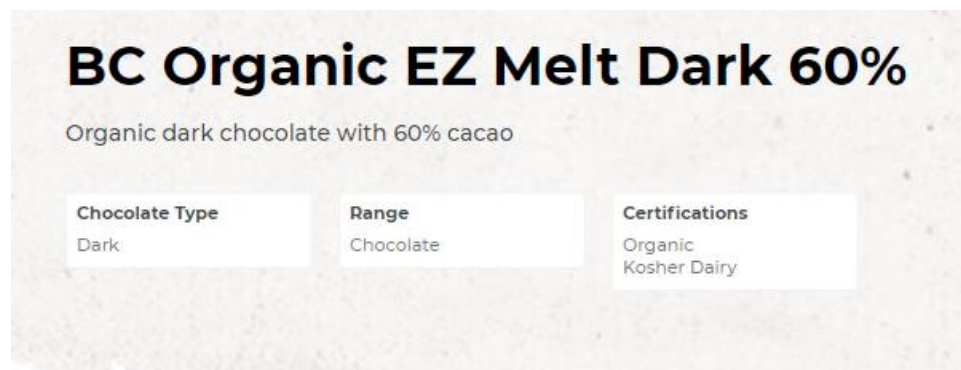
[26] In this case, the Applicant has also provided state of the marketplace evidence including printouts of websites (and archived versions of those websites) that use MELT or MELTS as part of the name or description of their candy and chocolate including those set out below.

Duchesneau affidavit, Exhibit A, Tab 2

## Candy Melts Candy

Wilton has a selection of delicious candy melts that are a must have for any serious baker! Shop from a wide assortment of colors and different candy flavors, to create special treats for any and every occasion!

Tab 6



Tab 15

Melt-in-your-mouth moments brought to you by AERO.

[27] While these webpage printouts show a connection to Canada, for example, by including Canada as a shipping destination or being from a .ca website, there is no evidence that any of these trademarks have a reputation in Canada. Therefore, this evidence does not support an inference that consumers will be able to distinguish between the Mark and the Opponent's trademark MELTS based on the differences between them. At most, the above-mentioned search results support my earlier



conclusion that the component MELT is inherently weak as it is apt to describe chocolate and confectionary.

#### Conclusion on likelihood of confusion

[28] The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the Mark in association with the Goods at a time when he or she has no more than an imperfect recollection of the Opponent's trademark MELTS used in association with chocolate and candy confections, and does not pause to give the matter any detailed consideration or scrutiny [ *Veuve Clicquot*, *supra* at para 20]. Further, as the Supreme Court of Canada explains in *Mattel*, *supra*, at para 57, the ordinary consumer is owed a certain amount of credit:

... I fully agree with Linden J.A. in *Pink Panther* that in assessing the likelihood of confusion in the marketplace “we owe the average consumer a certain amount of credit” (para. 54). A similar idea was expressed in *Michelin Cie v. Astro Tire Rubber Co. of Canada Ltd.* (1982), 69 CPR (2d) 260 (FCTD), at 263:

... one must not proceed on the assumption that the prospective customers or members of the public generally are completely devoid of intelligence or of normal powers of recollection or are totally unaware or uninformed as to what goes on around them.

[29] Having considered all of the surrounding circumstances and applying the test of confusion as a matter of first impression and imperfect recollection, despite the acquired distinctiveness of the Opponent's MELTS trademark, the length of time the Opponent's trademark has been in use and the similarity between the nature of the goods and trade, I find the inherent weakness of the Opponent's mark, as well as the overall differences between the parties' trademarks in appearance, sound and ideas suggested, sufficient to shift the balance of probabilities regarding confusion in favour of the Applicant. I am of the view that the ordinary consumer would not, as a matter of first impression, be likely to think that the Goods sold in association with the Mark would emanate from the same source as those associated with the MELTS trademark or vice versa. Consequently, I find that there is no reasonable likelihood of confusion between the parties' trademarks.

### ***Non-entitlement and Distinctiveness Grounds of Opposition***

[30] These grounds of opposition are also based on the Opponent's allegation that the Mark is confusing with its use of the trademark MELTS. As there is no evidence of use of the Mark, the material date for the entitlement ground of opposition is the filing date of the application [see section 16(1)(a) of the Act]. The material date for the distinctiveness ground of opposition is the date of filing the statement of opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[31] The Opponent's evidence described at paragraph 17 of this decision is sufficient to meet its burden of demonstrating prior use of its trademark for the entitlement ground of opposition and that its trademark had a substantial, significant or sufficient reputation in Canada in association with its chocolate and candy confections to negate the distinctiveness of the Mark [*Bojangles' International, LLC v Bojangles Café Ltd*, 2004 CanLII 71764, 40 CPR (4th) 553, affirmed 2006 FC 657, 48 CPR (4th) 427 (FCTD)].

[32] The difference in the material dates for these grounds of opposition and the material date for the section 12(1)(d) ground do not change my prior finding that the Applicant has met its legal onus of proving no reasonable likelihood of confusion. Accordingly, the section 16(1)(a) and distinctiveness grounds of opposition are also rejected.

### ***Section 38(2)(e) Ground of Opposition***

[33] The Opponent pleads that the Applicant either was not using or did not intend to use the Mark in Canada in association with the Goods. The material date for this ground of opposition is the filing date of the application [section 38(2)(e) of the Act]. While there is no evidence that the Applicant was using the Mark as of the date of filing, the Opponent fails to meet its evidential burden with respect to this ground of opposition, as there is no evidence that the Applicant did not intend to use the Mark. Accordingly, this ground of opposition is rejected.

### **Section 38(2)(f) Ground of Opposition**

[34] Section 38(2)(f) of the Act is concerned with whether an applicant is entitled to use the trademark that is applied-for as of the date of filing the application.

[35] The Registrar has previously found that an applicant could not make the statement that it was entitled to use a trademark or was not entitled to use a trademark where:

- (a) There is evidence of a prima facie case of non-compliance with a federal statute such as the *Copyright Act* RSC 1985, c C-42 or *Food and Drugs Act*, RSC 1985, c F-27 [*Interactiv Design Pty Ltd v Grafton-Fraser Inc* (1998), 87 CPR (3d) 537 (TMOB) at 542-543].
- (b) There is evidence of a prima facie case of non-compliance with certain sections of the Act [*McDonald's Corporation and McDonald's Restaurants of Canada Limited v Hi-Star Franchise Systems, Inc.*, 2020 TMOB 111; *Advance Magazine Publishers Inc. v Pawandeep Dhunna*, 2023 TMOB 39].
- (c) There is evidence that a contractual relationship such as licensor-licensee existed and that the registration of a trademark would constitute a breach of the relationship [*AFD China Intellectual Property Law Office v AFD China Intellectual Property Law (USA) Office, Inc*, 2017 TMOB 30].

[36] The Opponent pleads that the Applicant was not entitled to use the Mark because any use would be unlawful and in contravention of section 7(b) of the Act (passing off), sections 19 and 20 (infringement) and section 22 (depreciation of goodwill).

[37] I find that the Opponent has not established a *prima facie* case for any of passing off, infringement or depreciation of goodwill.

[38] With regard to passing off, three elements must be established to make out such a claim, one of which being the “deception of the public due to a misrepresentation” [*Ciba-Geigy Canada Ltd v Apotex Inc*, 1992 CanLII 33 (SCC)]. This element will be established if a party shows that the other party has used a trademark that is likely to be confused with a plaintiff’s trademark [*Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2016 FCA 69 at para 21]. As I have found that the Mark is not confusing with the Opponent’s registered trademark, I find that the Opponent has not established a *prima facie* case of passing off.

[39] Registration of a trademark under the Act gives the owner the exclusive right to use the trademark throughout Canada in respect of the goods and services in the registration [Act, section 19]. This right is deemed to be infringed by the sale, distribution, or advertisement of goods or services in association with a confusing trademark [Act, section 20(1)(a)]. None of my findings with respect to the section 6(5) factors with respect to the section 12(1)(d) ground of opposition are impacted by the earlier material date, therefore, I do not find that the Opponent has met its evidential burden of showing a *prima facie* case that the Mark would be infringed.

[40] With regard to section 22 of the Act, there are four elements to establish to make out a claim that the goodwill in a trademark has been depreciated. One such element is that the registered trademark was used by another party in connection with goods or services [*Veuve Clicquot, supra* at para 46]. For this element, a party need only show that the other party has made use of a trademark sufficiently similar to the plaintiff’s own trademark to evoke a mental association of the two trademarks [*Veuve Clicquot, supra* at para 38]. While an absence of trademark confusion does not necessarily mean this element of a depreciation claim cannot be met [see *Toys “R” Us (Canada) Ltd v Herbs “R” Us Wellness Society*, 2020 FC 682], I find that an absence of confusion is compelling in this case. As stated above, part of the reason why the Mark is not found to be confusing is that the word MELTS is highly suggestive (if not descriptive) of the parties’ goods. Because of this, I find that the Mark is not sufficiently similar to the trademark MELTS to evoke a mental association between the trademarks. For at least

this reason, the Opponent has not established a *prima facie* case of depreciation of goodwill.

[41] Since the Opponent has not established a *prima facie* case for passing off, infringement, or depreciation of goodwill, the Opponent has not met its initial evidential burden in respect of the non-entitlement to use ground. This ground is therefore rejected.

**DISPOSITION**

[42] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

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Natalie de Paulsen  
Member  
Trademarks Opposition Board  
Canadian Intellectual Property Office

## Appearances and Agents of Record

**No hearing held.**

### **AGENTS OF RECORD**

**For the Opponent:** Borden Ladner Gervais LLP

**For the Applicant:** Smart & Biggar LP