

## HONEY PUFFS REGISTRATION EXPUNGED BECAUSE OF CONFUSION WITH MULTIGRAIN HONEY PUFFS, FEDERAL COURT RULES

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A recent decision of the Trial Division of the Federal Court of Canada ordered the expungement of the registered trade-mark HONEY PUFFS pursuant to subsection 57(1) of Canada's *Trade-marks Act*, R.S.C. 1985, c. T-13 after a finding of confusion with the previously used MULTIGRAIN HONEY PUFFS trade-mark (*Nature's Path Foods Inc. v. Quaker Oats Co. of Canada*, T-690-00, April 20, 2001, Tremblay-Lamer, J.).

Respondent Quaker Oats Co. of Canada ("Quaker Oats") was the registered owner of the trade-mark HONEY PUFFS for breakfast cereals; this registration was secured on September 15, 1998 following an application filed on August 18, 1997 on the basis of proposed use of the trade-mark in Canada.

Applicant Nature's Path Foods Inc. ("Nature's Path"), a British Columbia company, is a manufacturer of food products including breakfast cereals. By itself and through predecessors, it began using the trade-mark MULTIGRAIN HONEY PUFFS in association with breakfast and snack foods derived from cereals starting in 1992. Despite having been in use since 1992, the MULTIGRAIN HONEY PUFFS trade-mark was never registered either by Nature's Path or its predecessors. Upon realizing that its rights might be restricted by the 1998 HONEY PUFFS registration in the name of Quaker Oats, Nature's Path applied to Canada's Federal Court in 2000 to have such registration expunged in accordance with subsection 57(1) of the *Trade-marks Act*.

Nature's Path's action raised the following issues: Did Nature's Path or its predecessors use the trade-mark MULTIGRAIN HONEY PUFFS or simply HONEY PUFFS? Was Quaker Oats entitled to register its trade-mark HONEY PUFFS in light of Nature's Path's prior use of an allegedly confusing trade-mark?

In order to defeat the challenge brought forth by Nature's Path, Quaker Oats argued that any prior use of a trade-mark carried out by Nature's Path was of

the trade-mark MULTIGRAIN HONEY PUFFS and not the trade-mark HONEY PUFFS. Moreover, it submitted that MULTIGRAIN HONEY PUFFS was not confusing with HONEY PUFFS. The evidence on the issue of the Applicant's mark actually used revealed that Nature's Path and its predecessors had never used any trade-mark other than MULTIGRAIN HONEY PUFFS prior to 1997. In no case did the words "HONEY PUFFS" appear disassociated from the word "MULTIGRAIN" before 1997. In 1997 the words "HONEY PUFFS" did appear for the first time alone in the text of the packaging although it was not clear whether or not this change took place prior to August 18, 1997, the date where Quaker Oats filed its application and the relevant date for determining whether or not confusion existed between the trade-marks. This being said, the Court found that what had constantly been used and advertised to the public by Nature's Path and its predecessors was the trade-mark MULTIGRAIN HONEY PUFFS. This finding was confirmed by the assignment document between Nature's Path and its predecessors where the mark assigned was MULTIGRAIN HONEY PUFFS, not HONEY PUFFS alone.

Having concluded that Nature's Path and its predecessors had been using the trade-mark MULTIGRAIN HONEY PUFFS since 1992, did such use affect Quaker Oats' entitlement to register the trade-mark HONEY PUFFS in association with breakfast cereal?

In deciding whether there was confusion between the trade-marks HONEY PUFFS and MULTIGRAIN HONEY PUFFS, both for breakfast cereals, the Court wrote that such examination must be carried out as a matter of first impression, from the perspective of the average consumer likely to purchase the wares in question, having a vague or imperfect recollection of the first trade-mark: *Miss Universe, Inc. v. Bohna*, (1995) 1 F.C. 614 at 621-22.

In support of its argument against confusion between the trade-marks, Quaker Oats argued that in considering whether two trade-marks are confusing, the correct approach is to consider the marks in their entirety. It is inappropriate to dissect the trade-marks into their components: *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 at 426 (F.C.A.). As caselaw states that the first word or syllable in a trade-mark is generally the most important for the purpose of distinction, Quaker Oats argued that the first component in Nature's Path's trade-mark was MULTIGRAIN, which served to distinguish the parties' trade-marks.

In assessing the likelihood of confusion between the parties' trade-marks as applied to identical wares, the Court agreed that neither of the parties' marks possessed significant inherent distinctiveness; on the issue of the degree of resemblance between the parties' trade-marks the Court made a finding that the MULTIGRAIN component in Nature's Path's trade-mark was actually a

factor which would compound rather than eliminate confusion: "While marks must be assessed in their entirety, it is still possible to focus on particular features of the mark that may have a determinative influence on the public's perception of it: *Pink Panther Beauty Corp. v. United Artists Corp.*, (1998) 3 F.C. 534 (C.A.) at para. 34. Where the parties' marks share features but the differences serve to dominate those common features, there will be little likelihood of confusion: *Foodcorp Ltd. v. Chalet Bar B Q (Canada) Inc.* (1982), 66 C.P.R. (2d) 56 at 73 (F.C.A.). However, the opposite result flows here. In the applicant's mark, the word "MULTIGRAIN" modifies "HONEY PUFFS". While the applicant's mark bears little inherent distinctiveness, what distinctiveness it does boast originates with the latter component, not the former. Indeed, consumers may well regard the differences between the marks as compounding rather than eliminating confusion: see, e.g., *Cartier Men's Shops Ltd. v. Cartier Inc.* (1981), 58 C.P.R. (2d) 68 at 73 (F.C.T.D.). Consumers may well regard the parties' products as related "multi-grain" and "plain" varieties of the same cereal. In these circumstances, the degree of resemblance between the marks is significant."

In light of these findings, the Court found that there was indeed confusion between both trade-marks. Quaker Oats' mark was also found to lack distinctiveness. Based on these findings, the Court ordered the expungement of the HONEY PUFFS registration.

The Court's decision is a reminder that adding or deleting a qualifier at the beginning of a trade-mark will not necessarily be perceived as an element which will lessen the risk of confusion between trade-marks. On the contrary, such qualifier (or lack thereof) may be perceived as referring to a new line of product, thus contributing to the likelihood of confusion. Great care should therefore always be exercised when adding or deleting any qualifier as such element is usually not considered to be distinctive *per se*.

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