



ALLEGED DESCRIPTIVENESS OF CANADA'S HEALTHIEST GROCERY STORE TRADE-MARK EXAMINED BY REGISTRAR IN OPPOSITION CASE

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In a decision that offers guidelines to determine when a trade-mark is clearly descriptive and thus unregistrable under Canada's *Trade-marks Act*, RSC 1985, c T-13 (the "Act"), the Registrar of Trade-marks recently analyzed whether the trade-mark CANADA'S HEALTHIEST GROCERY STORE was clearly descriptive or not (*Loblaws Inc. v. Whole Foods Market IP, L.P.*, 2016 TMOB 81 (CanLII), May 31, 2016).

On February 2, 2012, Whole Foods Market IP, L.P. (the "Applicant") filed an application with the Registrar of Trade-marks to register the trade-mark CANADA'S HEALTHIEST GROCERY STORE (the "Mark") in association with services described as "retail grocery store services". The Applicant claimed in its application that it had used its Mark since at least as early as January 30, 2012.

This application proceeded uneventfully at the examination stage and was published for opposition purposes on November 7, 2012.

On March 28, 2013, Loblaws Inc. (the "Opponent"), a Canadian supermarket chain, filed a statement of opposition against the Applicant's application. In its statement of opposition, the Opponent essentially alleged that the trade-mark CANADA'S HEALTHIEST GROCERY STORE was not registrable under section 12(1)(b) of the Act. This provision states that a trade-mark is registrable if it is not "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".

The Opponent argued that the trade-mark CANADA'S HEALTHIEST GROCERY STORE is either clearly descriptive or deceptively misdescriptive of the character and/or quality of the Applicant's retail grocery store services. According to the

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Opponent, the Applicant's Mark indicates an intrinsic character of its services namely that the Applicant provides "Canada's healthiest grocery store".

Before embarking on a discussion of the Opponent's allegation, the Registrar (represented by Trade-marks Opposition Board Member Lisa Reynolds) explained that the purpose of the prohibition found 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 other traders to describe particular goods or services, thereby placing legitimate competitors at a disadvantage (paragraph 13 of the Registrar's reasons).

Moreover, the Registrar provided an outline of the governing principles that must be applied when examining an allegation that a trade-mark is clearly descriptive. The test that must be carried out is one of first impression in the mind of a normal or reasonable person. Because section 12(1)(b) of the Act includes the word "clearly" before the word "descriptive", the idea that is conveyed by the supposedly descriptive trade-mark must be "self-evident, plain or manifest". On the other hand, if the significance of a trade-mark is uncertain in relation to the goods or services or if the trade-mark in question is only suggestive of a meaning, then the words at issue are not clearly descriptive.

When analyzing whether a trade-mark contravenes section 12(1)(b) of the Act, the Registrar further noted that a critical analysis of the words forming the trade-mark should not be carried out; instead, the *immediate* impression created by the trade-mark in association with the related goods and services should be ascertained. In section 12(1)(b), the word "character" means a "feature, trait or characteristic belonging to the goods or services" (paragraph 14 of the Registrar's reasons).

Finally, the issue of clear descriptiveness should be examined from the perspective of the ordinary, everyday purchaser or user of the specific goods or services at issue. The opinion of experts is usually not representative of such ordinary, everyday purchaser. When examining an allegation of clear descriptiveness, the Registrar can obviously consider the evidence at his or her disposal but may also apply common sense in the examination of the facts (*Neptune SA v Attorney General of Canada* (2003), 29 CPR (4th) 497 (FCTD) at para 11).

The Opponent argued that "Canada's Healthiest Grocery Store" is a phrase in the English language that can be readily understood. According to the Opponent, this is a phrase that says outright that the Applicant's services possess certain characteristics. In the Opponent's view, this is not a case of a subtle suggestion but rather one of a trade-mark that offends the provisions of section 12(1)(b) of the Act.

For its part, the Applicant submitted that it was unclear what exactly the Mark meant. It asked: what does it mean for a grocery store to be healthy, let alone the healthiest? For example, it argued that a financial analyst or management consultant may say a store is healthy if it has a strong balance sheet; on the other hand, an occupational

therapist or human resources professional may take the position that a store is healthy if its employees score well in any type of medical assessment test while a building inspector may state that a store is healthy if it is free of any type of health hazards.

The approach suggested by the Applicant was not considered favorably by the Registrar who reminded the parties that it is the perception of the normal or reasonable person seeing the Mark in the specific context of grocery store services that is relevant.

Alternatively, the Applicant submitted that the Mark suggested that its owner is committed to “policies and core values that it considers to be best practices for health-conscious food retailers”. While this might be the case, the Registrar noted that the evidence on the issue was vague. In any event, the Registrar was unable to draw any meaningful conclusions 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 (paragraph 35 of the Registrar’s reasons).

In the end, the Registrar concluded 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 (paragraph 37 of the Registrar’s reasons). Moreover, there is nothing unique or unusual in the words chosen to compose the Mark. In short, the Mark’s message is clear, self-evident and plain. The Opponent’s opposition was consequently allowed.

This case aptly illustrates the tension that exists between those who, for marketing reasons, favor trade-marks having a clear message and those who, for legal reasons, favor adopting *registrable* trade-marks whose meaning might be less clear. From a strictly legal standpoint, the meaning of trade-marks adopted for the Canadian market should never be clearly obvious as it relates to their associated goods or services since the requirements of section 12(1)(b) of the Act regarding the prohibition of clear descriptiveness can be a bar to registration, as the Registrar found in this case.

