

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

Citation: 2010 TMOB 97
Date of Decision: 2010-06-16

**IN THE MATTER OF AN OPPOSITION
by Davide Campari-Milano S.p.A. to
application No. 1,189,122 for the trade-
mark CAMPARI in the name of
Mastronardi Produce Ltd.**



THE RECORD

[1] On September 2, 2003, Mastronardi Produce Ltd. filed an application to register the trade-mark CAMPARI based on use of the mark since at least as early as November, 1995 in association with

tomatoes.

[2] The subject application was advertised for opposition purposes in the *Trade-marks Journal* issue dated April 14, 2004 and was opposed by Davide Campari-Milano S.p.A. on November 3, 2004. The Registrar of Trade-marks forwarded a copy of the statement of opposition to the applicant on November 16, 2004, as required by s.38(5) of the *Trade-marks Act*, R.S.C. 1985, c. T-13. The applicant responded by filing and serving a counter statement generally denying the allegations in the statement of opposition.

[3] The opponent's evidence consists of (i) the affidavit of Stefano Saccardi, (ii) certified copies of the opponent's trade-mark registrations ("CAMPARI marks"), the particulars of which are tabulated below:

Trade-mark/ Registration No.	Wares - Date of first use in Canada
CAMPARI TMA 236,195	liqueurs in general, vermouth, aperitifs made from wine, digestive bitters, digestive wines, digestive liqueurs, aerated waters, syrups and preparations for making beverages, aperitifs and bitters - (first use not stated, application was based on registration in Italy)
BITTER CAMPARI UCA41915	spirituous liquors - 1862
 UCA41914	spirituous liquors - 1862
 TMA 562,709	alcoholic bitters - May 14, 2002

(iii) certified copies of documents relating to an opposition proceeding, between Westgro Sales Inc. (the applicant therein) and the present opponent Davide Campari-Milano, consisting of application No.1,124,164 for the mark CAMPARI covering tomatoes and tomato seeds; the statement of opposition and counter statement; and the affidavit of David Gingrich filed on behalf of the applicant Westgro.

[4] The applicant's evidence, submitted pursuant to s.44(1) of the *Trade-marks Regulations* SOR/96-195, consists of the affidavits of Paul Mastronardi, Charlie Tannous and the statutory declaration of Chris Lang. No cross-examination was conducted on any of the written testimony. Both parties filed written arguments and both were represented at an oral hearing held on May 18, 2010.

STATEMENT OF OPPOSITION

[5] The first ground of opposition, pursuant to s.30(b) of the *Trade-marks Act*, alleges that the applied for mark CAMPARI has not been used from the date claimed in the application in association with the specified wares.

[6] The second ground, pursuant to s.12(1)(d) of the *Act*, alleges that the applied for mark CAMPARI is not registrable because it is confusing with the opponent's CAMPARI marks referred to earlier.

[7] The third ground, pursuant to s.16(1)(a), alleges that the applicant is not entitled to register the applied for mark CAMPARI because, at the date of first use claimed in the application, the applied for mark was confusing with the opponent's CAMPARI marks previously used in Canada and many other countries of the world in association with alcoholic beverages, spirituous liquors and aperitifs. In this regard, the opponent pleads that its CAMPARI marks are "famous trade-marks."

[8] Lastly, the opponent alleges that, pursuant to s.2, the applied for mark is not distinctive of the applicant's wares in view of (i) the opponent's use of its CAMPARI marks and (ii) Westgro Sales Inc.'s use of the mark CAMPARI in association with tomatoes since October 1996. However, at the oral hearing the opponent withdrew the allegation of non-distinctiveness based on (ii) above.

OPPONENT'S EVIDENCE

Stefano Saccardi

[9] Mr. Saccardi identifies himself as the Managing Director of the opponent company. The opponent is the parent company of the Camperi Group, Italy's largest producer and distributor of branded spirits. The Campari Group's products include four of the top one hundred international

spirit brands namely, CAMPARI, CAMPARISODA, SKYY Vodka and CYNAR. The opponent's CAMPARI product is a bright red, mid-proof aperitif obtained from the infusion of bitter herbs, aromatic plants and fruit in alcohol and water. The opponent's CAMPARI product is the main ingredient in various internationally known cocktails. The opponent's CAMPARI products are distributed internationally including Canada. CAMPARI products are sold in all major liquor stores across Canada, that is, through various provincial liquor control boards. During the nine year period 1995 - 2003, worldwide sales of CAMPARI products amounted to about \$1.25 billion US. In Canada, sales for 1998 to 2004 inclusive amounted to about \$3 million US. During the five year period 1993 - 1997, the volume of CAMPARI products exported to Canada averaged about 68,000 litres annually, increasing to about 89,000 litres annually during the seven year period 1998 - 2004. Advertising and promotion expenses for CAMPARI products in Canada were about \$1 million US for the period 1996 - 2004 inclusive, via newspapers, magazines, television, point of sale displays, and sponsored events such as food and wine shows. The exhibit material attached to Mr. Saccardi's affidavit confirms that the mark CAMPARI is prominently featured on product packaging (bottles) and in advertising and promotion materials. In this regard, I consider that use of any of the opponent's registered trademarks qualifies as use of the mark CAMPARI *per se*: see *Nightingale Interloc v. Prodesign Ltd.* (1984), 2 C.P.R.(3d) p.535 at 538 (T.M.O.B.) under the heading *Principle 1*.

Certified Copies from File No.1,124,164

[10] As mentioned earlier, the opponent has submitted into evidence documents relating to a previous opposition proceeding between the opponent herein and Westgro Sales Inc. One of the documents is a copy of the affidavit of David Gingrich, who identifies himself as General Manager of Westgro. I have not had any regard to Mr. Gingrich's affidavit as his testimony in the prior proceeding has no probative value in the instant proceeding: see, for example, *Molson Breweries, a Partnership v. John Labatt Ltd.* (1995) 66 C.P.R.(3rd) p.218 at 222, para.c (T.M.O.B.).

APPLICANT'S EVIDENCE

Paul Mastronardi

[11] Mr. Mastronardi identifies himself as the Executive Vice President of the applicant company. The applicant was incorporated in 1955 to carry on business as a grower of hydroponic vegetables. As of the date of his affidavit, November 27, 2007, the applicant was a major supplier of tomatoes, cucumbers, peppers, tomatoes on the vine and salsa products to the Canadian and United States markets. The applicant operates four separate groups namely, growing, buying, selling and transporting its products. The applicant owns over 180 acres of land containing 103 acres of greenhouse complex, making the applicant the largest greenhouse marketing company in North America.

[12] In 1995 the applicant obtained experimental seeds for hydroponic tomatoes, which it grew and sold under the trade-mark CAMPARI. Sales of CAMPARI tomatoes in Canada averaged about \$5.84 million annually for the five year period 2003 - 2007. Sales in the United States totalled about \$40.4 million for the two year period 2003-2004, and thereafter averaged \$41.2 million annually for the three year period 2005-2007. In the five year period ending in 2007, about 70 million packages of CAMPARI tomatoes have been sold throughout North America although it is not clear what portion pertains to Canada and what portion pertains to the rest of North America. The exhibit material attached to Mr. Mastronardi's affidavit demonstrates that the applied for mark is prominently displayed on product promotional brochures and on labels affixed to product packaging. Further, it appears from the exhibit material that the applicant markets its salsa product under the mark CAMPARI and also markets tomatoes and other vegetables under the mark SUNSET. Advertising for CAMPARI tomatoes includes point of sale advertising, flyers, website and billboard advertising. Advertising expenses amounted to \$200,000 in 2003, gradually rising to \$450,000 in 2007 although it is not clear what portion pertains to Canada and what portion pertains to the rest of North America. The applicant formed the Campari Marketing Group, consisting of the applicant and three third parties, to increase consumer awareness of CAMPARI tomatoes. The third parties "forming the marketing group use the CAMPARI trade-mark by way of a verbal license" from the applicant. The applicant's customers for CAMPARI tomatoes include A&P, Costco, Tannous Produce, Walmart and Sobey's although it is not clear that the aforesaid customers purchase the product for resale in Canada.

[13] Mr. Mastronardi notes that Mr. Gingrich's affidavit, mentioned earlier, refers to a distribution agreement between the present applicant Mastronardi Produce and Westgro. Mr. Mastronardi states that the distribution agreement is void and of no effect, and that Westgro did not acquire any rights to the applicant's trade-mark CAMPARI by virtue of that agreement.

[14] Despite deficiencies and lack of specificity in Mr. Mastronardi's affidavit, in the absence of cross-examination I am prepared to find that all uses of the mark CAMPARI by the marketing group that Mr. Mastronardi refers to enure to the benefit of the applicant, or at least do not detract from the distinctiveness of the applied for mark.

[15] The opponent has brought to my attention that some of the documents comprising Exhibit B of Mr. Mastronardi's affidavit may be construed as an admission by the applicant that "Campari" is the name of a type of tomato indigenous to Europe. However, it is also apparent from an inspection of exhibit material as a whole that the applicant is using the word CAMPARI as a trade-mark to identify its particular wares.

Charlie Tannous; Chris Lang

[16] Mr. Tannous identifies himself as a resident of Toronto and the owner of Tannous Produce. He states that the applicant has been selling CAMPARI tomatoes to his store in Canada since November 1995. Mr. Lang identifies himself as a resident in Etobicoke and a manager with A&P. He states that the applicant has been selling CAMPARI tomatoes to A&P in Canada since November 1995.

LEGAL ONUS AND EVIDENTIAL BURDEN

[17] The legal onus is on the applicant to show that the application does not contravene the provisions of the *Trade-marks Act* as alleged by the opponent in the statement of opposition. The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against the applicant.

However, there is also, in accordance with the usual rules of evidence, an evidential burden on the opponent to prove the facts inherent in its allegations pleaded in the statement of opposition: see *John Labatt Limited v. The Molson Companies Limited*, 30 C.P.R. (3d) 293 at 298. The presence of an evidential burden on the opponent with respect to a particular issue means that in

order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

[18] The opponent has not adduced any evidence to support the first ground of opposition alleging that the applied for mark CAMPARI has not been used since November 30, 1995 as claimed in the subject application. The evidence filed on behalf of the applicant on this issue might have been more precise and informative, however, in the absence of cross-examination of Messrs. Mastronardi, Tannous and Lang, I find that the weight of the evidence confirms the date of first use as claimed. The first ground of opposition is therefore rejected.

MAIN ISSUE

[19] The remaining grounds of opposition turn on the issue of whether the applied for mark CAMPARI is confusing with opponent's mark CAMPARI, within the meaning of s.6(2) of the *Act*, shown below:

The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured . . . or performed by the same person, whether or not the wares or services are of the same general class.

Thus, s.6(2) does not concern the confusion of the marks themselves, but confusion of goods or services from one source as being from another source. In the instant case, the question posed by s.6(2) is would there be confusion of tomatoes provided by the applicant as being tomatoes sourced from the opponent.

Material Dates

[20] The material dates to assess the issue of confusion are (i) the date of decision with respect to the ground of opposition alleging non-registrability, (ii) the date of first use claimed in the application (November 30, 1995) with respect to the ground of opposition alleging non-entitlement, and (iii) the date of opposition (November 3, 2004) with respect to the ground of opposition alleging non-distinctiveness: for a review of case law concerning material dates in

opposition proceedings see *American Retired Persons v. Canadian Retired Persons* (1998), 84 C.P.R.(3d) 198 at 206 - 209 (F.C.T.D.).

Section 6(5) Factors

[21] The legal onus is on the applicant to show that, on a balance of probabilities, there would be no reasonable likelihood of confusion. The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are set out in s.6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the wares, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. This list is not exhaustive; all relevant factors are to be considered. All factors do not necessarily have equal weight. The weight to be given to each depends on the circumstances: see *Gainers Inc. v. Tammy L. Marchildon and The Registrar of Trade-marks* (1996), 66 C.P.R.(3d) 308 (F.C.T.D.).

Consideration of Section 6(5) Factors

[22] The opponent's mark CAMPARI possesses a fair degree of inherent distinctiveness even though it is an Italian surname. In this regard, the average Canadian consumer of alcoholic beverages is likely to respond to the word CAMPARI by thinking of it as an invented word used as a brand or trade-mark: see, for example, *Galanos v. Registrar of Trade-marks* (1982) 69 C.P.R. (2d) 144 (F.C.T.D.). Similarly, the applied for mark CAMPARI possesses a fair degree of inherent distinctiveness but arguably less than the opponent's mark because there is a connection between the word CAMPARI and tomatoes (as alluded to earlier with reference to Exhibit B of the Mastronardi affidavit). As no evidence has been adduced by the opponent to show that the average Canadian consumer is aware that Campari is a type of tomato, I assess the inherent distinctiveness of the parties' marks as about the same. Of course, the applied for mark had not acquired any distinctiveness at the earliest material date November 30, 1995. However, it is difficult to assess with any precision the acquired distinctiveness of the opponent's mark CAMPARI at the earliest material time owing to the general and summary nature of the opponent's evidence of sales, advertising and promotion of its products in Canada. Certainly the

opponent's mark had acquired some distinctiveness as of the earliest material date. Further, I infer from the parties' evidence of sales of their wares in Canada that the applied for mark CAMPARI had acquired a greater distinctiveness than the opponent's mark at the later material date in 2004 and continued to acquire greater distinctiveness thereafter. The length of time that the parties' marks have been in use in Canada favours the opponent, but only to a limited extent, as the opponent has not indicated the extent of use of its mark prior to 1993 while the applicant began to use its mark in late 1995. The nature of the parties' wares are of course very different and, based on the evidence of record, it would appear that the nature of the parties' trades are also distinct. Of course, the marks in issue are identical in all respects, that is, in appearance, sound and ideas suggested.

[23] The opponent's arguments for refusing the subject application are based on two premises, first that "the evidence shows that CAMPARI is the name of a variety of tomato and other traders have use [sic] the word in the ordinary course of trade in relation to tomatoes of that variety" and second, "the Saccardi Affidavit establishes . . . [the opponent's] CAMPARI trade-marks becoming not only well known but famous around the world and in Canada . . . given Campari's [the opponent's] reputation and fame in Canada, an ordinary customer familiar with Campari's products sold and advertised under the CAMPARI trade-marks is likely to be confused as to the origin of tomatoes being sold in association with CAMPARI": see paras. 29, 30 and 38 of the opponent's written arguments.

[24] In my view the fact that Campari is a variety of tomato is not particularly detrimental to the applicant as it is not an issue raised by the opponent in the statement of opposition. Further, it is not clear from the evidence of record whether or to what extent third parties are using the word Campari either as a trade-mark or to describe a variety of tomato. However, it is clear from the evidence that the applicant has been using the word CAMPARI fairly extensively as a trade-mark to identify its wares.

[25] Even if I were to accept that the opponent's mark CAMPARI had acquired a significant reputation in Canada as of the earliest material date November 30, 2004, such reputation would be limited to alcoholic beverages. In this regard, I take the term "well known" to imply something greater than a significant reputation and something less than "famous." In my view, the evidence of record is not sufficient to establish that the opponent's trade-name Campari or its

mark CAMPARI was well known in Canada, or had acquired that degree of distinctiveness required to transcend product line differences, at any material date.

Surrounding Circumstance

[26] A surrounding circumstance to be considered is the lack of evidence of actual confusion. Of course, the opponent is under no obligation to submit evidence of instances of actual confusion and the absence of such evidence does not necessarily raise any presumptions unfavourable to the opponent. The absence of evidence of actual confusion is not determinative of the issue of confusion. Nevertheless, an absence of evidence of actual confusion over a relevant period of time, despite an overlap in the parties' wares and channels of trade, may entitle one to draw a negative inference about the likelihood of confusion: see *MonSport Inc. v. Vetements de Sport Bonnie (1978) Ltée* (1988), 22 C.P.R. (3d) 356 (F.C.T.D.); *Mercedes-Benz A.G. v. Autostock Inc.*, 69 C.P.R. (3d) 518 (TMOB). In the instant case, the evidence indicates that there has been significant concurrent use of the parties' marks across Canada since late 1995, however, the parties' channels of trade do not overlap. Nevertheless, the fact that instances of actual confusion have not been evidenced is a factor that, to a limited extent, raises a negative inference about the likelihood of confusion.

DISPOSITION

[27] Considering all of the above factors, and taking into account in particular the differences in the parties' wares, I am satisfied that the applicant has met the legal onus on it show that, on a balance of probabilities, there is no reasonable likelihood of confusion between the applied for mark CAMPARI and any of the opponent's CAMPARI marks at any material time.

[28] In view of the foregoing, the opposition is rejected. This decision has been made pursuant to a delegation of authority under s.63(3) of the *Trade-marks Act*.

Member
Trade-marks Opposition Board
Canadian Intellectual Property Office