

IN THE MATTER OF OPPOSITIONS
by Santa Maria Foods Limited
to applications Nos. 526,686
and 526,687 for the trade-marks
NEGRONI and NEGRONI & Design
filed by Pietro Negroni S.p.A.
(now Pietro Negroni S.r.l.)

On August 10, 1984, the applicant, Pietro Negroni S.p.A. (now Pietro Negroni S.r.l.) filed applications to register the trade-mark NEGRONI and NEGRONI & Design (illustrated below), both for the following wares:

meat and meat products, namely, cooked,
cured and smoked sausage, ham, salami
and mortadella.

Both applications are based on use and registration in Italy; the first application is based on Italian registration No. 337,153 and the second is based on Italian registration No. 337,184. Both applications were advertised for opposition purposes on April 20, 1988.

The opponent, Santa Maria Foods Limited, filed essentially identical statements of opposition respecting the two applications on August 22, 1988. A copy of each statement of opposition was forwarded to the applicant on September 9, 1988. The first ground of opposition respecting the first opposition is that the applicant is not the person entitled to registration pursuant to Section 16(1) (a) of the Trade-marks Act because, as of the applicant's filing date, the applied for trade-mark was confusing with the opponent's trade-mark NEGRONI previously used in Canada for the identical wares. Presumably, the opponent meant to rely on Section 16(2) (a). The second ground in the first opposition is that the applicant's trade-mark is not distinctive because it is confusing with the opponent's trade-mark NEGRONI. The only difference in the second statement of opposition is that the opponent relies on its trade-mark NEGRONI & Design for both grounds although it does not specifically describe or illustrate that trade-mark.

The applicant filed and served counter statements in the two proceedings on October 11, 1988. In its counter statements, the applicant alleges that the opponent filed its own application to register the trade-mark NEGRONI but subsequently abandoned it in the face of an opposition by the applicant. In March of 1991, the applicant sought to amend the counter statement in each opposition but its requests were refused pursuant to Rule 42 of the Trade-marks Regulations.

As its evidence in each opposition, the opponent filed the affidavit of Italo Rosati. As its evidence, the applicant filed the affidavits of Teresa Macchiusi and Alfredo Villa. Both Messrs. Rosati and Villa were cross-examined on their affidavits and the transcripts of those cross-examinations and the subsequently filed replies to

undertakings form part of the record of these proceedings. Both parties filed written arguments and an oral hearing was conducted at which only the applicant was represented.

The applicant's evidence establishes that the applicant has manufactured and sold various meat products such as sausage, ham, salami and mortadella in Italy under its two trade-marks for a number of years. The applicant has also exported those products to other countries but there have been no sales in Canada. Mr. Villa, the applicant's Sales Director, sought to establish that the applicant's trade-marks had become well known in Canada by means of advertising and by means of Canadians travelling abroad. However, the cross-examination of Mr. Villa revealed that he was unable to establish any reputation of note for his company's trade-marks in this country.

In his affidavit, Mr. Rosati identifies himself as the President of the opponent and states that he believes that his company has used the trade-mark NEGRONI (including a design version remarkably similar to the applicant's design mark) since 1982 for mortadella. He further states that his company's records establish specific total sales figures for NEGRONI mortadella for the periods June 1984 to May 1985, June 1985 to May 1986 and June 1986 to May 1987. However, Mr. Rosati failed to provide any breakdown of the sales during the first period that would point to any sales having taken place prior to the filing date of the applicant's two applications, namely August 10, 1984. More importantly, the cross-examination of Mr. Rosati revealed that Mr. Rosati did not review any corporate records but simply relied on figures provided to him by an employee. Mr. Rosati admitted that he didn't know which records his employee reviewed (see page 38 of the Rosati transcript) and he didn't check any records after swearing his affidavit (see page 36 of the Rosati transcript). Further, Mr. Rosati was not aware of any sales of NEGRONI mortadella since May of 1987.

On reviewing the Rosati cross-examination, it becomes readily apparent that Mr. Rosati was either woefully uninformed about the affairs of his company or he was deliberately evasive about certain of his and his company's activities. For example, in his affidavit, Mr. Rosati states that he was unable to provide documentation to support sales of NEGRONI mortadella because such records were in storage in his company's former office in Belleville, Ontario. Between the time of swearing his affidavit (May 11, 1989) and the date of the cross-examination (March 15, 1990), Mr. Rosati was still inexplicably unable to check the records in his company's Belleville office. An undertaking was given during the cross-examination respecting question 182 and the reply given was that Mr. Rosati's employee did make a search of the records in Belleville after May 11, 1989 but no documents were located.

A review of the Rosati cross-examination also reveals that Mr. Rosati has what could best be described as a selective memory. Although he admitted that he was the person responsible for the NEGRONI label designs used by his company, he couldn't remember much about the creation of those labels and the design versions of his company's mark. Even when he did recall information about the creation of the design mark that is virtually identical to the applicant's design mark, the answers given are contradictory (contrast the reply given to the undertaking arising from question 51 with the reply given to the undertaking in question 350). This is in stark contrast to Mr. Rosati's

surprisingly good memory regarding the employment history of his company's sales manager prior to his joining the opponent.

Mr. Rosati admitted that he spent much of his life in Italy and that he had returned there on a number of occasions. The applicant's agent sought to question Mr. Rosati about his possible awareness of the applicant's products when he was in Italy but he was obstructed in these attempts by the opponent's agent who took the position that such questions were irrelevant. I consider that they are arguably relevant and given Mr. Rosati's history, his agent's refusal to allow him to answer relevant questions and the fact that he met with Mr. Villa about the time that the opponent allegedly adopted its design mark, I am prepared to conclude that Mr. Rosati had seen the applicant's design mark before he gave instructions for the creation of the virtually identical mark for the opponent.

The first ground of opposition in each case is that the applicant is not the person entitled to registration pursuant to Section 16(2) (a) of the Act. There is an initial evidential burden on the opponent to show use of its trade-marks prior to the applicant's filing date. Furthermore, in view of the provisions of Section 16(5) of the Act, there is a burden on the opponent to show non-abandonment of its marks as of the applicant's advertisement date (i.e. - April 20, 1988). In my view, the opponent has failed on both counts.

Mr. Rosati has failed to establish his claim that his company used any NEGRONI trade-mark in 1982. He has also failed to show any use of such a mark prior to the applicant's filing date. As noted, he did not check the company records himself at any time and was not even aware how his employee arrived at the tabulated sales figures. Even considering the fairly broad interpretation of what constitutes personal knowledge of a corporate officer that appears at pages 215-216 of the Trial Division decision in Vapor Canada Ltd. v. MacDonald (1972), 6 C.P.R.(2d) 204; (1972), 8 C.P.R.(2d) 15 (F.C.A.); (1977), 22 C.P.R.(2d) 1 (S.C.C.), Mr. Rosati's statements fall far outside the scope of admissible evidence: see Joseph Seagram & Sons Ltd. v. Seagram Real Estate Ltd. (1984), 3 C.P.R.(3d) 324 at 334 (T.M.O.B.). Thus, the sales figures provided by Mr. Rosati are unreliable and cannot be used to show prior use of his company's trade-marks. As noted above, those figures would not have been sufficient, in any event, since Mr. Rosati did not provide a breakdown of the sales occurring between June 1984 and May 1985. It would therefore have been impossible to conclude that any sales had occurred prior to the applicant's filing date of August 10, 1984. The first ground of opposition in each case is therefore unsuccessful.

Even if the opponent had been successful in showing use of its trade-marks prior to the applicant's priority date, Mr. Rosati failed to show non-abandonment of his company's marks as of the applicant's advertisement date. The opponent's own application No. 486,419 to register the trade-mark NEGRONI was withdrawn by the opponent and was treated as abandoned as of May 9, 1986 (see Exhibit B to the Rosati cross-examination). Mr. Rosati was unaware of any sales of his company's NEGRONI product after 1987 and he was unable to provide any supporting documentation. In view of his inability to evidence any sales prior to 1987 as well, it would appear that there was a lengthy period of non-

use of the opponent's NEGRONI marks sufficient to infer an intention to abandon those marks. Thus, the first ground in each opposition would also have been unsuccessful on this basis.

The applicant submitted that the opponent should not have been successful, in any event, since it adopted the applicant's mark unlawfully and, in view of the decision in McCabe v. Yamamoto & Co. (America) Inc. (1989), 23 C.P.R. (3d) 498 (F.C.T.D.), should not be allowed to rely on its unlawful use. To the extent that I understand the reasoning in the McCabe case, it would appear to apply in a situation where a distributor misappropriates a company's mark in contravention of an agreement between the parties. Without commenting on the correctness of the McCabe reasoning, I consider that I can safely say that it should not be extended to situations such as the present case where there was no agreement or fiduciary relationship between the parties. In any event, in view of my earlier conclusions, it is not necessary to decide this issue.

As for the second ground of opposition in each case, the onus or legal burden is on the applicant to show that its mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada: see Muffin Houses Incorporated v. The Muffin House Bakery Ltd. (1985), 4 C.P.R. (3d) 272 (T.M.O.B.). Furthermore, the material time for considering the circumstances respecting this issue is as of the filing of the opposition (i.e. -March 2, 1988): see Re Andres Wines Ltd. and E. & J. Gallo Winery (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. (1991), 37 C.P.R. (3d) 412 at 424 (F.C.A.). Finally, there is an evidential burden on the opponent to prove the allegations of fact in support of its ground of non-distinctiveness.

As noted, the opponent has failed to evidence any use of its trade-mark NEGRONI or NEGRONI & Design. Furthermore, the opponent has failed to evidence any recognition of its trade-marks among any segment of the Canadian population. The opponent has therefore failed to meet the evidential burden on it and the second ground of opposition in each case is also unsuccessful.

In view of the above, I reject the opponent's oppositions.

DATED AT HULL, QUEBEC, THIS 31st DAY OF MARCH 1994.

David J. Martin,
Member,
Trade Marks Opposition Board.