

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

Citation: 2012 TMOB 127 Date of Decision: 2012-07-11

IN THE MATTER OF AN OPPOSITION by Greenhouse Grown Foods Inc. to application No. 1,458,714 for the trademark DEL FRESCO CRUNCHERS filed by Del Fresco Produce Inc.

File Record

[1] On November 10, 2009 Del Fresco Produce Inc. (the Applicant) filed application No. 1,458,714 to register the trade-mark DEL FRESCO CRUNCHERS (the Mark). It is based on proposed use and covers fresh hydroponic vegetables (the Wares).

[2] The application was advertised on April 21, 2010 in the *Trade-marks Journal* for opposition purposes.

[3] Greenhouse Grown Foods Inc. (the Opponent) filed a statement of opposition on May 31, 2010 which was forwarded by the Registrar on June 15, 2010 to the Applicant. The grounds of opposition raised are: non-compliance of the application to the provisions of sections 30(e) and (i) of the *Trade-marks Act* RSC 1985 c T-13, (the Act); the Mark is not registrable pursuant to section 12(1)(d) of the Act; the Applicant is not the person entitled to the registration of the Mark pursuant to sections 16(3)(a) and (b) of the Act; and non-distinctiveness of the Mark.

[4] The Applicant denied all grounds of opposition in a counter statement filed on January 4, 2010.

[5] The Opponent filed as its evidence the affidavits of John Newell Jr. and Janine A. MacNeil and a certified copy of the certificate of registration for the trade-mark FRESCO, No. TMA661,262. The Applicant filed the affidavit of Carl Mastronardi.

[6] Both parties filled written arguments but no hearing was requested.

Legal Onus and Burden of Proof in Trade-marks Opposition Proceedings

[7] The legal onus is upon the Applicant to show that the application complies with the provisions of the Act, but there is however an initial evidential burden on the 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, the Applicant has to prove, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [see *Joseph E Seagram & Sons Ltd et al v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 (TMOB); *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) and *Wrangler Apparel Corp v The Timberland Company* [2005] FC 722].

Grounds of Opposition Summarily Dismissed

[8] The Opponent has an initial evidential burden when alleging non-compliance with the provisions of section 30 of the Act. The Opponent has not filed any evidence to support its grounds of opposition based on the non-compliance to the requirements listed under section 30(e) of the Act. The Opponent has not provided any submissions in its written argument to support such ground of opposition. Moreover, as it will appear from a summary of the Applicant's evidence, the latter has been using the Mark since at least as early as 2010. Consequently the ground of opposition based on section 30(e) of the Act is dismissed for failure by the Opponent to meet its initial burden.

[9] As for the ground of opposition based on section 30(i) of the Act, the Applicant is only required to declare itself satisfied that it is entitled to the registration of the Mark. Such a statement is included in the application. The allegation that the Applicant had knowledge of the existence of the Opponent's prior rights cannot form the basis of a

ground of opposition under section 30(i) of the Act. One may rely on section 30(i) in specific cases such as where fraud by the Applicant is alleged [see *Sapodilla Co Ltd v Bristol Myers Co* (1974) 15 CPR (2d) 152 (TMOB)]. There is no allegation of that nature in the statement of opposition or any evidence in the record to that effect.

[10] Under these circumstances, the ground of opposition based on section 30(i) of the Act is also dismissed.

[11] As for the ground of opposition based on section 16(3)(b) of the Act, the Opponent must show that it filed a prior application <u>and</u> that the latter was still pending at the advertisement date of the present application. The Opponent is relying on its trademark FRESCO which is registered under No TMA661,262. It filed a certified copy of such registration. The said certificate shows that the corresponding application was filed on February 21, 2005, thus prior to the filing date of this application, but was no longer pending on April 21, 2010 as it issued to registration on March 23, 2006. Consequently the ground of opposition based on section 16(3)(b) of the Act is also dismissed.

Entitlement based on section 16(3)(a); Registrability under section 12(1)(d); and Distinctiveness

[12] All the remaining grounds of opposition turn on the issue of the likelihood of confusion between the Mark and the Opponent's trade-mark FRESCO. These grounds of opposition have different relevant dates. I intend to analyze in depth the entitlement ground of opposition as the relevant date, being the filing date of the application (see section 16(3) of the Act), is the most favourable one to the Opponent given that I have to disregard any evidence of use of the Mark by the Applicant after the filing date of the application.

[13] I must first determine if the Opponent has met its initial burden of proof. Mr. Newell Jr. has been the Opponent's Vice-President and Secretary for over 10 years. He states that the Opponent has its headquarters in Delta, British Columbia. It was incorporated in October 2001. It is a member of various local and industry associations, some of them related to greenhouse growers.

[14] Mr. Newell Jr. states that the Opponent grows and sells to consumers throughout North America various hydroponically grown vegetable products and live plants products. Its predecessor in title, Windset Greenhouse Limited Partnership registered the trade-mark FRESCO on March 23, 2006 under No. TMA661,262 a certified copy of which has been filed in the record. On January 23, 2008 all rights, title and interest in the aforesaid trade-mark was transferred to the Opponent. The Opponent has provided its annual sales from 2007 to 2010 inclusive of cucumbers and mini-cucumbers in association with the trade-mark FRESCO. For cucumbers they total over \$80 million and for mini-cucumbers they are in excess of \$35 million. He filed samples of invoices issued to its customers during the period of April 2005 to January 2010.

[15] The Applicant submits in its written argument that it is not clear if those sales figures are for Canada, United States or both. Mr Newell Jr. has not stated that those figures represent sales made by the Opponent in Canada only. The Applicant points to the fact that there are 4 invoices filed by Mr. Newell Jr. issued to an American customer. However there are 9 invoices issued to Canadian customers prior to the relevant date and 3 more before April 21, 2010 illustrating the sale in Canada of cucumbers and mini-cucumbers in association with the trade-mark FRESCO. In any event the Opponent is a Canadian Corporation located in British Columbia. As such any sales made to American customers originated from Canada and consequently the trade-mark FRESCO is considered to have been used in Canada as per the terms of section 4(3) of the Act.

[16] Therefore the Opponent has met its burden to prove that it has used its trade-mark FRESCO in Canada in association with cucumbers and mini-cucumbers prior to November 10, 2009 and that it had not abandoned such use at the advertisement date of the present application, namely on April 21, 2010.

[17] The test to determine if there is a likelihood of confusion between two trademarks is set out in section 6(2) of the Act wherein it is stipulated that the use of a trademark causes confusion with another trade-mark if the use of both trade-marks in the same area would likely lead to the inference that the wares associated with those trade-marks are manufactured, sold or leased by the same person, whether or not the wares are of the

same general class. In making such assessment I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5): the inherent distinctiveness of the trade-marks and the extent to which they have become known; the length of time the trade-marks have been in use; the nature of the wares or business; the nature of the trade; and the degree of resemblance between the trade-marks in appearance, or sound or in the ideas suggested by them.

[18] Those criteria are not exhaustive and it is not necessary to give each one of them equal weight [see *Clorox Co v Sears Canada Inc* (1992), 41 CPR (3d) 483 (FCTD) and *Gainers Inc v Marchildon* (1996), 66 CPR (3d) 308 (FCTD)]. I also refer to the decision of the Supreme Court of Canada in *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 49 CPR (4th) 401 where Mr. Justice Binnie commented on the assessment of the criteria enumerated under section 6(5) of the Act to determine if there is a likelihood of confusion between two trade-marks.

[19] It is with all these principles in mind that I shall analyze the evidence filed by both parties that relates to each relevant factor.

The inherent distinctiveness of the trade-marks and the extent to which they have become known

[20] The word "fresco" is defined in *The Canadian Oxford Dictionary* as "a painting done in watercolour on a wall or ceiling while the plaster is still wet". I agree with the Opponent that such word has no connection with cucumbers, and as a result the trademark FRESCO has some distinctiveness when used in association with cucumbers.

[21] The Applicant in its written argument tried to introduce evidence in the form of extracts of results obtained using Google Translate on the Internet in order to demonstrate that the word "fresco" is an Italian word that translates into English as "fresh". A similar exercise was done with the word "del". The written argument is not the proper forum to introduce new evidence. While I concede that the Registrar has discretion to consult dictionaries to determine the meaning in French or English of certain words, such discretion does not extend to foreign language dictionaries. In any event the test has

always been set out for the average Canadian consumer, English, or French speaking, or even bilingual. Unless there is evidence that a good portion of the Canadian population would understand the meaning of a foreign word, such word as the trade-mark FRESCO will be viewed by the average Canadian consumer as a coined word. However FRESCO is an English word as mentioned above. Needless to say that I am also disregarding the grammatical analysis made of the Mark by the Applicant in its written submissions based on the translation of the two foreign words included in the Mark.

[22] As for the Mark, it is composed of two English words and the foreign word "DEL". Although there is no definition for the word "cruncher" per se, the expression "number cruncher" is defined in the *The Canadian Oxford Dictionary* as:

1."a machine capable of complex calculations etc. 2. a person, esp. an accountant or statistician, whose primary concern is with numbers, statistics, budgets, the bottom line, etc.

Again there is no correlation between the word combination forming the Mark and the Wares covered by the application.

[23] The distinctiveness of a trade-mark may be enhanced through use or promotion in Canada. There is no evidence of use of the Mark in Canada prior to the relevant date, the filing date of the application. In any event the application is based on proposed use. Consequently, at the relevant date, the Mark was not known at all in Canada.

[24] As mentioned previously, the Opponent has provided impressive sales figures. However the Applicant argues that Mr. Newell Jr. did not state specifically that those figures were for Canada only since he did state in his affidavit that the Opponent is selling its products throughout North America, which includes the United States. Consequently, according to the Applicant, we cannot conclude without knowing the extent of the sales in Canada that the trade-mark FRESCO was known in Canada. If there had been no invoices filed by the Opponent issued to Canadian customers I would have agreed with the Applicant. However there are 9 invoices totaling approximately \$100,000 worth of sales of cucumbers or mini-cucumbers in association with the trade-mark FRESCO to customers located in British Columbia and Alberta. Consequently I conclude

that the Opponent's trade-mark FRESCO was known at least to a limited extent in the Western part of Canada at the relevant date.

[25] This factor slightly favours the Opponent,

The length of time the trade-marks have been in use

[26] From the evidence summarized above it is clear that this factor favours the Opponent.

The nature of the wares and their channels of trade

[27] The wares are similar. As for the channels of trade the Applicant argues that they are different on the basis of the evidence filed by both parties addressing this issue. The Applicant submits that its evidence through the affidavit of Mr. Mastronardi, the Applicant's President, shows that it operates only one greenhouse located in Ontario. For logistic reasons its sales are restricted to Eastern Ontario as per the allegations contained in paragraphs 14 and 15 of Mr. Mastronardi's affidavit. On the other hand, the Opponent's evidence shows that its activities are concentrated in Western Canada and the North West part of the United States. The Applicant argues that it is impossible for it to sell its Wares in the Western part of Canada as the transportation costs would be prohibitive and the long distances to get the Wares in Western Canada would mean a greater likelihood of spoilage due to the perishable nature of fresh grown vegetables.

[28] I must apply the test set out in section 6(2) of the Act mentioned above. That section clearly states that we must assess the likelihood of confusion by considering the use of the parties' trade-marks "....<u>in the same area</u>..." [see *Masterpiece Inc. v. Alavida Lifestyles Inc et al* 2011 SCC 27]. There are no territorial limitations in the present application. Nothing prevents either party to expand its activities elsewhere within Canada.

[29] Consequently I conclude that there is a potential overlap in the channels of trade. This factor also favours the Opponent.

Degree of resemblance

[30] In its recent judgment in *Masterpiece Inc supra*, the Supreme Court of Canada has clearly indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the marks. One must look at the marks in their totalities and should not dissect each one of them into its components.

[31] The Applicant has taken the entirety of the Opponent's trade-mark FRESCO. Such trade-mark is distinctive as for the average Canadian it would have no connotation to cucumbers or vegetables. Visually and in sound there is some similarities between the parties' trade-marks because of the presence of the word "FRESCO" in the Mark.

[32] Even though the Mark contains additional elements both before and after the component "FRESCO", I conclude that the average Canadian consumer having a vague recollection of the Opponent's trade-mark FRESCO would think that the Wares sold in association with the Mark would originate from the same source as those sold in association with the Opponent's trade-mark FRESCO. The wares are of the same nature and are not expensive.

[33] For all these reasons I conclude that the Applicant has not discharged its legal onus to show that the Mark was not likely to cause confusion, at the relevant date, with the Opponent's trade-mark FRESCO when used in association with the Wares.

[34] I maintain all the remaining grounds of opposition based on likelihood of confusion with the Opponent's trade-mark FRESCO, namely registrability under section 12(1)(d), entitlement under section 16(3) and distinctiveness as the difference in the relevant dates for each of those grounds would not have such an impact in favour of the Applicant so as to alter my conclusion.

[35] I am fully aware of the fact that the Applicant filed evidence of use of the Mark in Canada in association with the Wares since 2010 (no month specified) through the affidavit of Mr. Mastronardi. However the extent of those sales is much less than the Opponent's sales during the same period. As such my conclusion that the Opponent's trade-mark is more known than the Applicant's Mark would still stand under the

registrability and distinctiveness grounds of opposition. As for the evidence contained in Mr. Mastronardi's affidavit concerning the Applicant's sales of cucumbers and minicucumbers in association with the trade-mark DELFRESCOPURE, such trade-mark is not the trade-mark being the subject of this opposition. Moreover the fact that the Applicant has obtained a registration for a similar trade-mark to the Mark is not an argument to support the Applicant's contention that it should obtain the registration of the Mark [see *Groupe Lavo Inc v Procter & Gamble Inc* (1990), 32 CPR (3d) 533].

Disposition

[36] Having been delegated authority by the Registrar of Trade-marks by virtue of section 63(3) of the Act, I refuse the application in accordance with section 38(8) of the Act.

Jean Carrière Member Trade-marks Opposition Board Canadian Intellectual Property Office