



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

Citation: 2013 TMOB 196
Date of Decision: 2013-11-19

**IN THE MATTER OF AN OPPOSITION
by Overwaita Food Group Limited
Partnership acting through its general
partner Overwaita Food Group Ltd. to
application No. 1,408,981 for the trade-
mark SOBEYS URBAN FRESH in the
name of Sobeys Capital Incorporated**

Background

[1] On August 29, 2008, Sobeys Capital Incorporated (the Applicant), filed an application for the trade-mark SOBEYS URBAN FRESH (the Mark) based upon use of the Mark in Canada since at least as early as February, 2008, in association with the following services: Operation of supermarkets and grocery stores; restaurant services.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of June 17, 2009. Overwaita Food Group Limited Partnership acting through its general partner Overwaita Food Group Ltd. (the Opponent) opposed the application on August 17, 2009. As will be discussed in further detail, the Opponent primarily opposes the application on the basis that the application does not conform to certain requirements of section 30 of the *Trade-marks Act*, RSC 1985, c T-13 and the Mark is confusing with the Opponent's registered marks URBAN FARE, registration No. 540,927 and URBAN FARE and Design, registration No. 548,168, both previously used in Canada in association with supermarket services.

[3] On October 21, 2009, the Applicant filed its counterstatement, denying each ground of opposition.

[4] In support of its opposition, the Opponent filed three affidavits of Mr. John Paisley (dated April 6, 2010 (First Paisley Affidavit); June 15, 2010 (Second Paisley Affidavit); and March 15, 2011 (Third Paisley Affidavit)). Mr. Paisley was cross-examined twice and the transcripts from both of those cross-examinations form part of the record.

[5] The Applicant's evidence includes the affidavits of Michael Stephan, Mary Dalimonte, Brett Cuthbertson and Evan Fillier. None of the Applicant's affiants were cross-examined.

[6] Both the Applicant and the Opponent filed a written argument and both parties were represented at an oral hearing.

Preliminary Issues

[7] The Applicant has raised the following three objections to the Opponent's evidence:

- i) some of Mr. Paisley's evidence is hearsay (in particular, paragraphs 36, 40, and part of 45 of his first affidavit; paragraphs 6,7,12 and 16 of his second affidavit);
- ii) some of Mr. Paisley's evidence is opinion evidence (in particular, paragraphs 41-44 of his first affidavit); and
- iii) parts of Mr. Paisley's third affidavit are not proper reply evidence (in particular, paragraphs 4-7 and 10-11).

i) Hearsay Evidence

[8] Turning to the Applicant's first objection, hearsay evidence is *prima facie* inadmissible unless it satisfies the criteria of necessity and reliability [see *Labatt Brewing Co v Molson Breweries, A Partnership* (1996), 68 CPR (3d) 216 (FCTD)].

[9] I agree with the Applicant that paragraphs 36, 40 and 45 of the First Paisley Affidavit are inadmissible hearsay. Paragraphs 36 and 45 comprise copies of articles from the *Edmonton*

Journal discussing the Applicant's SOBEYS URBAN FRESH location in Edmonton and a posting from a website where the author discusses having had lunch at an URBAN FRESH location. While this evidence may show that these articles and website posting exist, this evidence cannot be relied upon as evidence of the truth of its contents[see *Candrug Health Solutions Inc v Thorkelson* (2007), 60 CPR (4th) 35 (FC), reversed(2008), 64 CPR (4th) 431 (FCA)]. I have therefore given no weight to this evidence.

[10] In paragraph 40 of his first affidavit, Mr. Paisley states that it is his understanding that Chris Staples began doing the advertising and branding for the Applicant's URBAN FRESH locations. This information is not based on Mr. Paisley's personal knowledge and the Opponent has not explained the necessity or reliability of this evidence. I have therefore given no weight to it.

[11] The objectionable paragraphs in Mr. Paisley's second affidavit comprise the following:

- Information regarding a trade-mark/trade-name license agreement entered into by the Opponent and Great Pacific Industries (GPI) on December 26, 2004, obtained from Don Eng, General Counsel of the Opponent and of GPI;
- Information regarding the circulation of flyers set out in paragraph 19 of his first affidavit told to him by Gillian Bryant, Banner Marketer who works for the Opponent; and
- Information that both GPI and the Applicant used the advertising and branding services of Chris Staples told to him by Brad Pollock, Director of Customer Loyalty, who works for the Opponent and previously worked for GPI.

[12] The content of these paragraphs are based on information and belief as told to Mr. Paisley by individuals within his company. While it is trite law that evidence based on information and belief rather than personal knowledge is hearsay, in the present case I must consider whether Mr. Paisley was in a position to have personal knowledge of these facts that would affect the necessity and reliability of this evidence.

[13] At the date of his first affidavit, Mr. Paisley had been Director of a division of the Opponent named URBAN FARE for five years. As Director, he was responsible for all

operations, marketing and merchandising for URBAN FARE and all supermarkets operated under the URBAN FARE marks. He has been in the supermarket business for more than 20 years working for the Opponent and GPI, the Opponent's predecessor-in-title.

[14] Given Mr. Paisley's position and experience, I am prepared to give some weight to the hearsay statements in his second affidavit. Giving Mr. Paisley's evidence some weight in this case is consistent with previous decisions of the Registrar including *Cascades Canada Inc v Wausau Paper Towel & Tissue, LLC* (2010), 89 CPR (4th) 79 (TMOB). Paragraphs 29-31 of the *Cascades Canada* decision state:

[29] In *Union Electric Supply Co. v. Registrar of Trade Marks* (1982), 63 C.P.R. (2d) 56 (F.C.T.D.) at pages 59-60, Mahoney J. made the following statement concerning knowledge to be attributed to a company's officer: "The deponent was manifestly in a position, both from the point of view of his experience with the appellant and his office, to know whereof he deposed." In *Scott Paper Ltd. v. Georgia-Pacific Consumer Products LP* (2010), 83 C.P.R. (4th) 273 (F.C.) at para. 35, O'Keefe J. stated: "Affiants may depose facts within their personal knowledge (see Rule 81, Federal Court Rules, SOR/98-106). This Court has accepted that an affiant's office may manifestly put him or her in a position to have personal knowledge of facts without necessarily being a direct witness to the event (see *Philip Morris Inc. c. Imperial Tobacco Ltd.*, [1987] F.C.J. No. 26, 13 C.P.R. (3d) 289)."

[30] ... Overall, it seems to me on balance that Mr. Tocchet was manifestly in a position from the standpoint of his office and experience with the Original Opponent "to know whereof he deposed". There is no reason to assume that Mr. Tocchet would not have been in a position to provide background evidence to support the statements made within his affidavit, if the Applicant had sought to have him produce such (e.g. business records concerning the Opponent's sales). I therefore reject the Applicant's submission that his evidence should be disregarded in its entirety. However, I agree that some of his evidence should be accorded reduced weight.

[31] I will add that I do not consider it a problem that Mr. Tocchet did not personally take the photographs of the OPTIMA product, print the website pages or put together the sales figures that he provided with his affidavit. Clearly such information was well within his knowledge.

ii) *Opinion Evidence*

[15] The Applicant has also objected to the opinions expressed by Mr. Paisley in his first affidavit. Parts of what Mr. Paisley stated at paragraphs 41-44 of his first affidavit are as follows:

Para. 41: In my opinion, the URBAN FRESH mark, on its own, is very important to Sobey's. In my opinion, Sobey's has adopted the URBAN FRESH mark because it was looking for a different branding from that of the typical Sobey's stores that would allow them to enter into a smaller size upscale store providing local and gourmet products with emphasis on "foodie" customers...

Para. 42: In my opinion and based upon my experience in the supermarket business, the use by the Applicant of the marks SOBEYS URBAN FRESH and URBAN FRESH alone is confusing with the use by the Opponent of the URBAN FARE marks.

Para. 43: In my opinion, the Applicant's trade-mark SOBEYS URBAN FRESH is confusing with the Opponent's URBAN FARE marks in Canada....

Para. 44: In my opinion, anyone who saw the Applicant's services under the Applicant's trade-mark would be confused as to whether or not the services were the Opponent's URBAN FARE services and vice versa...

[16] The Applicant submits that these paragraphs are inadmissible for three reasons:

- Paisley has no particular experience, education or training which give him any special knowledge or expertise; he is therefore not qualified as an expert to give expert opinion evidence;
- Mr. Paisley is biased and therefore is not an independent objective witness; and
- Mr. Paisley opines on the ultimate issue of confusion between the marks.

[17] I agree with the Applicant that Mr. Paisley, an employee of the Opponent, is not an independent objective witness. Further, while he may have many years of work experience, he has not qualified himself as an "expert" in the supermarket business. Finally, the opinions expressed by Mr. Paisley go to the merit of the opposition. I will therefore not refer to or place any weight on them [see *British Drug Houses Ltd v Battle Pharmaceuticals* (1944), 4 CPR 48 at 53 and *Les Marchands Deco Inc v Society Chimique Laurentide Inc* (1984), 2 CPR (3d) 25 (TMOB)].

iii) Reply Evidence

[18] The third objection of the Applicant is that paragraphs 4-7 and 10-11 of the third Paisley affidavit and the related exhibits are not proper reply evidence. Proper reply evidence responds to issues raised in the other side's evidence. The test is whether the evidence introduced by Mr. Paisley is in reply to the Applicant's evidence and is responsive to unanticipated matters.

[19] I do not consider it necessary to reproduce the objectionable parts of Mr. Paisley's third affidavit because I think it is sufficient to say that all of them are in response to issues raised at cross-examination. I agree with the Applicant that although the cross-examination of Mr. Paisley was the Applicant's cross-examination, it does not constitute evidence of the Applicant which the Opponent is entitled to answer by way of reply. In this regard, I rely on the following comments of my former colleague Member Martin in *MCI Communications Corp v MCI Multinet Communications Inc* (1995). 61 CPR (3d) 245, at p. 251:

Although the cross-examination of Mr. Willey was the applicant's cross-examination (see *Chanel, S.A. v. Lander Co. Canada Ltd.* (1993), 49 C.P.R. (3d) 562 (T.M. Opp. Bd.) at p. 565), I doubt that it constitutes evidence of the applicant which the opponent is entitled to answer by way of reply. Section 45 [Section 43], in my view, contemplates the filing of evidence strictly confined to matter in reply to the applicant's evidence filed pursuant to s. 44 [s.42]. The cross-examination of Mr. Willey constitutes an exploration and explication of his evidence. It is essentially further evidence from the opponent which otherwise would not have been available to the applicant: see p. 565 of the Chanel decision. If that cross-examination revealed any deficiencies in his affidavit or in the balance of the opponent's evidence-in-chief, it was open to the opponent to clarify the situation on redirect examination. Alternatively, it could have sought leave to file additional evidence pursuant to s. 46(1) [s. 44(1)] to clarify or explain those deficiencies. Section 45 [Section 43] is not the vehicle to achieve that end.

[20] I therefore find paragraphs 4-7 and 10-11 of the third Paisley affidavit and their related exhibits inadmissible.

[21] I would like to add that even if I had considered this evidence admissible, it would not have affected the final outcome of this decision.

Onus

[22] The Applicant bears the legal onus of establishing, on a balance of probabilities that its application complies with the requirements of the Act. There is however an initial burden on the Opponent to provide sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

Section 30 – Non-conformity

Non-compliance with section 30(i) of the Act

[23] Where an applicant has provided the statement required by section 30(i), a section 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. This is not such a case. In any event, the Applicant's awareness of the Opponent's prior use of its trade-marks or trade-name would not have by itself precluded the Applicant from making the statement required by section 30(i) of the Act [*Woot, Inc v Woot Restaurants Inc Les Restaurants Woot Inc* 2012 TMOB 197]. I therefore dismiss this ground of opposition.

Non-compliance with section 30(b) of the Act

[24] The Opponent also pleads that the application does not comply with section 30(b) of the Act because the Applicant has not used the Mark in Canada in association with each of the services listed in the application since the date alleged, namely, since at least as early as February, 2008.

[25] There is an initial evidential burden on the Opponent with respect to the issue of the Applicant's non-compliance with section 30(b). This burden can be met by reference not only to the Opponent's evidence but also to the Applicant's evidence [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) (FCTD) 216 at 230]. However, while the Opponent may rely upon the Applicant's evidence to meet its evidential burden in

relation to this ground, the Opponent must show that the Applicant's evidence is clearly inconsistent with the Applicant's claims as set forth in its application [see *Ivy Lea Shirt Co v 1227624 Ontario Ltd* (1999), 2 CPR (4th) 562 at 565-6 (TMOB), affirmed 11 CPR (4th) 489 (FCTD)].

[26] The Opponent argues that there is no evidence that shows the Mark SOBEYS URBAN FRESH in its entirety but rather the marks SOBEYS and URBAN FRESH separately. Further, the Opponent submits that the claimed date of first use of February, 2008, is not accurate as the evidence shows that the Mark was in use in December of 2007 or even earlier. Finally, the Opponent argues that use has not been shown of the Mark in association with restaurant services.

[27] With respect to the Opponent's first argument, the Opponent submits that on the signage for the Applicant's supermarkets the word SOBEYS is displayed separately from the words URBAN FRESH and in a different font, colour and size. The Opponent further submits that the words URBAN FRESH have been used in a descriptive sense separately from the word SOBEYS such that the Mark was never used in Canada.

[28] I agree with the Opponent that some of the evidence does not show SOBEYS URBAN FRESH as one mark but instead shows URBAN FRESH in a descriptive sense and separate from the word SOBEYS [see Filler Affidavit, Exhibit A and Cuthbertson Affidavit, Exhibit A].

[29] I am satisfied from the unchallenged evidence of Ms. Dalimonte, General Manager for the SOBEYS URBAN FRESH banner, however, that use has also been shown of the Mark as a whole. Attached as Exhibit B to Ms. Dalimonte's affidavit is a photograph of exterior signage that has been used at 147 Laird Drive in East York, Toronto, where supermarket and grocery store services have been offered to the public since January, 2008. The Opponent submits that because the word SOBEYS is displayed as the dominant mark on the building, with the words URBAN FRESH displayed below and not in the same type or size of font, this does not show use of the Mark.

[30] While the word SOBEYS does appear in a larger and different style of font than the words URBAN FRESH, the words SOBEYS, URBAN and FRESH do all appear on the side of the Applicant's building in the same colour without any other additional matter (i.e. without

other descriptive words). I therefore agree with the Applicant that the commercial impression to the consumer is that the Mark being used is SOBEYS URBAN FRESH [see *Promafil Canada Ltée v Munsingwear Inc* (1992), 44 CPR (3d) 59 (FCA) and *Canada (Registrar of Trade Marks) v Cie Internationale pour l'Informatique CII Honeywell Bull* (1985), 4 CPR (3d) 523 (FCA)]. The Opponent's first argument under this ground therefore fails.

[31] With respect to the Opponent's second argument under this ground, Mr. Paisley confirmed at his first cross-examination at q. 361 that he was not aware of any facts to contradict the Applicant's claimed date of first use. Further, the case law recognizes that an applicant may claim a date subsequent to the actual date of first use "out of an abundance of caution" and "in the interest of greater certainty" [see *Marineland v Marine Wonderland and Animal Park* (1974), 16 CPR (2d) 97 (FCTD)]. I therefore reject the Opponent's second argument under this ground.

[32] As for the issue regarding whether use of the Mark has been shown in association with restaurant services, I agree that the Mark is not shown in association with an independent stand alone restaurant. However, the evidence does show that there are coffee shops within the Applicant's urban grocery store locations that also sell food, wine and beer [First Paisley Affidavit, Exhibit O]. I am therefore satisfied from the evidence furnished that the Mark has been used in association with restaurant services.

[33] For all of the above reasons, the Opponent's section 30(b) ground is not successful.

Main Issue – Likelihood of Confusion

[34] The remaining determinative issue is whether the applied-for mark SOBEYS URBAN FRESH, for use in association with operation of supermarkets, grocery stores, and restaurant services is confusing with the Opponent's URBAN FARE marks used in association with the same services. As noted above, the legal onus is on the Applicant to show that there would be no reasonable likelihood of confusion, within the meaning of section 6(2) of the Act, between the Mark and the Opponent's marks.

[35] Section 6(2) does not concern whether there is confusion between the marks themselves but rather whether the use of the marks in the same area would lead the consumer to infer that the wares or services associated with the marks come from the same source.

[36] The material dates to assess the issue of confusion are: (i) the date of decision, with respect to the section 12(1)(d) ground; (ii) the Applicant's date of first use with respect to the non-entitlement grounds; and (iii) the date of filing the statement of opposition, with respect to the section 38(2)(d) ground. For a review of case law concerning material dates in opposition proceedings see *American Assn of Retired Persons v Canadian Assn of Retired Persons / Assoc Canadienne des Individus Retraites* (1998), 84 CPR (3d) 198 (FCTD) at 206 - 209. I will begin my analysis by assessing the issue of confusion as of today's date under the section 12(1)(d) ground.

test for confusion

[37] The test for confusion is one of first impression and imperfect recollection. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them.

[38] This list of enumerated factors is not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc.* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC)]. In *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 92 CPR (4th) 361 (SCC) , the Supreme Court of Canada 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.

section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[39] Neither of the marks are inherently strong as they are all suggestive of food in a downtown location [First Paisley Cross-examination, q. 352-358]. I do, however, find the Mark inherently stronger than the Opponent's marks because of the distinctive first component SOBEYS.

[40] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. I found the evidence regarding the Opponent's chain of title to be somewhat confusing. My understanding of the admissible evidence of Mr. Paisley is as follows:

- between 1999 and 2004, GPI operated the URBAN FARE stores and Overwaitea Food Group was a trade-name and division of GPI;
- on December 26, 2004, the Opponent and GPI entered into a trade-mark/trade-name license agreement which granted the Opponent the non-exclusive permission to use marks, including the URBAN FARE mark and the trade-name URBAN FARE, and which indicated that the licensed use was under the direct control of GPI regarding the character and quality of the services of the Opponent, by specifying that the use was to be in accordance with the policies, specifications, directions and standards of GPI [Second Paisley Affidavit, para. 7];
- between December 26, 2004 and July 6, 2006, the Opponent operated the URBAN FARE stores and used the URBAN FARE marks and name under license from the owner of record, GPI [Second Paisley Affidavit, para. 8];
- on July 6, 2006, GPI's assets, including the URBAN FARE trade-marks and trade-name were transferred to the Opponent [Second Paisley Affidavit, Exhibit 1];
- the Opponent (or its predecessor in title GPI) has used the trade-marks and the trade-name URBAN FARE since at least as early as 1999 in association with supermarket services;

- GPI operated an URBAN FARE store in Edmonton, Alberta from May 2000 – June 2004;
- the Opponent has operated three URBAN FARE supermarkets in Vancouver, beginning in 1999 and has plans to open another;
- the Opponent's gross sales of groceries and supermarket services in association with its trade-marks have been in excess of \$10 million annually since the Opponent started using the trade-marks;
- between 2007 and 2009, the Opponent spent more than \$100,000 per year on advertising and promotion; and
- the URBAN FARE marks were prominently featured in the advertising and promotional materials of URBAN FARE locations, including: brochures, e-mails, flyers, mailers, newspaper advertisements, television advertisements, store opening materials and posters.

[41] The Applicant submits that between 2004 and 2006, the Opponent's marks were not distinctive of it because there is no evidence that the Opponent educated the public concerning its acquisition of the URBAN FARE trade-marks and trade-name. In this regard, the Applicant argues that the failure of the Opponent to ensure that the public was alerted to the change of ownership of its marks and trade-name resulted in an absence of distinctiveness during this period [see Paisley First Cross-Examination, q. 41 and q. 332].

[42] I will begin by noting that the validity of the Opponent's registrations is not at issue in an opposition. Further, from the evidence furnished I have no reason to doubt that the use shown by the Opponent during this time did satisfy the provisions of Section 50 of the Act and inured to the benefit of the Opponent's predecessor in title at that time.

[43] In any case, even if I could draw the negative inference that the Opponent's use of the marks between 2004 and 2006 did not satisfy the requirements of section 50 of the Act, then this would only support a conclusion that the distinctiveness acquired by the Opponent or its predecessor-in-title had diminished during this period. I would still be satisfied that the use

shown by the Opponent or its predecessor in title GPI of the URBAN FARE trade-marks between 1999 and 2004 and after 2006 is sufficient to show that the Opponent's marks were reasonably well known at all of the material dates, particularly in the Vancouver area.

[44] Ms. Dalimonte's evidence describes the extent to which the Mark had become known in Canada as of December 9, 2010, the date of her affidavit, as follows:

- the SOBEYS URBAN FRESH location on Front Street in Toronto has displayed the trade-mark SOBEYS URBAN FRESH on its exterior and interior signage continuously since late 2007;
- there were eleven stores in the Toronto area which display the SOBEYS URBAN FRESH mark, six of which display the Mark on exterior and interior signage and décor and five which display the Mark in store; and
- thousands of flyers which display SOBEYS URBAN FRESH have been distributed weekly since May, 2008 and the Mark also appears on in-store signs and labels.

[45] In view of the above, I find that as of today's date the Mark has become known in Canada to some extent, particularly in the Toronto area.

Section 6(5)(b) – the length of time each trade-mark has been in use

[46] The Applicant concedes that the Opponent has used its trade-marks and trade-name URBAN FARE in Vancouver for a longer period of time than the Applicant has used SOBEYS URBAN FRESH [Applicant's written argument, para. 59].

Sections 6(5)(c) and (d) – the nature of the wares, services or business; the nature of the trade

[47] The Applicant also concedes that the nature of the trade and the nature of the services and businesses of the parties is identical [Applicant's written argument, para. 60]. As noted by the Opponent, the parties are competitors and offer services that are in direct competition.

Section 6(5)(e) – the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

[48] When considering the degree of resemblance between the marks, the law is clear that the marks must be considered in their totality; it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks. The Supreme Court in *Masterpiece* [at para 64] advises that the preferable approach when comparing marks is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique.

[49] The most striking or unique feature of the Mark is the word SOBEYS. There is no similar striking component in either of the Opponent's marks. The only component shared by the parties' marks is the descriptive word URBAN.

[50] As a result, there is very little resemblance between the marks in appearance and sound. There is some similarity in ideas suggested because the Opponent's marks suggest downtown food while the Mark suggests fresh downtown food sold by a particular supermarket chain, namely SOBEYS.

Further surrounding circumstances

[51] There are two other surrounding circumstances that the Registrar should consider: 1) the third party use of the word URBAN in connection with the provision of foodstuffs and prepared meals to the Canadian public; and 2) the absence of actual confusion between the parties' marks and between URBAN FARE Catering Inc. and the Mark.

i) Use of URBAN in connection with the provision of foodstuffs and prepared meals to the Canadian public

[52] At the date of opposition (i.e. August 17, 2009), there were four independent unrelated parties using URBAN in connection with the provision of foodstuffs and prepared meals to the Canadian public: the Applicant, the Opponent, the proprietors of URBAN APPETITE and the proprietors of URBAN FARE Catering Inc., three of which are in the City of Toronto alone. The Applicant filed the affidavit of Michael Stephen, private investigator, who provides evidence of the use of URBAN APPETITE and URBAN FARE Catering Inc. in association with foodstuffs by persons unrelated to the Opponent at the time of his investigation. The Opponent's affiant

Mr. Paisley confirmed in his second cross-examination that the Stephan affidavit accurately represents the manner of use of URBAN FARE by URBAN FARE Catering Inc.

[53] As of December 10, 2010, the Opponent has been the owner of the trade-name, trade-mark and domain name URBAN FARE Catering Inc. While the right to use the assigned mark/name was licensed back to the assignor after the purchase, there has been no monitoring by the Opponent of its licensee's activities [Paisley Second Cross-examination, q. 122-138; 189-191].

[54] I agree with the Applicant that the use of the component URBAN by unrelated or improperly or allegedly licensed entities in association with the sale of foodstuffs is a relevant surrounding circumstance to the present case. In this regard, it can be inferred from this evidence that consumers would tend to focus on the other components of trade-marks that have this component when distinguishing one party's services from those of others.

ii) absence of actual confusion

[55] As I understand the Applicant's argument, the Applicant submits that the Registrar ought to consider the following surrounding circumstances: 1) the lack of confusion between the Opponent's URBAN FARE trade-mark and the Mark despite at least two years of co-existence in the marketplace; and 2) the lack of confusion between the trade-mark or trade-name URBAN FARE Catering Inc. and the Applicant's SOBEYS URBAN FRESH mark notwithstanding the co-existence of these marks for almost three years in close geographic proximity to each other.

[56] It is of course not necessary for the Opponent to evidence confusion in order for me to find that there is a likelihood of confusion but in certain cases the absence of confusion despite an overlap of wares, services or channels of trade may entitle one to draw a negative inference about the Opponent's case [see *Veuve Cliquot; Monsport Inc v Vetements de Sport Bonnie (1978) Ltée* (1988), 22 CPR (3d) 356 (FCTD); *Mercedes-Benz AG v Autostock Inc* (1996), 69 CPR (3d) 518 (TMOB)].

[57] The Applicant filed evidence from the store managers of its two stores in Edmonton, Alberta, each of whom confirmed that no customer attending either SOBEYS URBAN FRESH

store has ever articulated any belief that she or he believes there to be a business connection between the former URBAN FARE location operated in Edmonton by GPI between 2000 and 2004 and the SOBEYS URBAN FRESH locations. They testified that their stores never received any written communication that mistakenly addressed to URBAN FARE. Ms. Dalimonte also confirms that the Applicant has never mistakenly received any written communications addressed to or intended to be sent to URBAN FARE. She also notes that URBAN FARE Catering Inc. carries on business at 1415 Bathurst Street in Toronto which is approximately two kilometers from the 503 Bloor Street West SOBEYS URBAN FRESH location.

[58] With respect to the Applicant's first argument, I agree with the Opponent that it is possible that any lack of confusion might be the result of the geographically distinct areas in which each of the parties' marks have been used the most in Canada. I am therefore not prepared to draw a negative inference about the likelihood of confusion in the present case from the lack of confusion between the parties' marks.

[59] With respect to the Applicant's second argument, the Opponent submits that URBAN FARE Catering Inc. has not been used with grocery store services. The evidence, however, shows that in addition to catering, the URBAN FARE Catering Inc. mark has been used in association with foodstuffs [Third Paisley Affidavit, para. 9 and second cross-examination, q. 123-136 and 149-150; 192-195]. In view of the close geographic proximity of this store (which uses the Opponent's word mark in its entirety) with the Applicant's store in Toronto, an absence of confusion over a relevant period of time despite the overlap in the services of the parties does encourage me to draw a negative inference about the likelihood of confusion between the parties' marks in the present case.

Conclusion

[60] The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees SOBEYS URBAN FRESH in association with the Applicant's services at a time when he or she has no more than an imperfect recollection of the Opponent's URBAN FARE trade-marks, and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot*].

[61] Having considered all of the surrounding circumstances, I find that the Applicant has established, on a balance of probabilities, that confusion is not likely between SOBEYS URBAN FRESH and either of the Opponent's URBAN FARE marks. Notwithstanding the extent to which the Opponent's marks have become known, in view that the first, more dominant and most distinctive portion of the Mark is SOBEYS, I find that the marks are sufficiently different to make confusion unlikely.

[62] The section 12(1)(d) ground of opposition is therefore not successful.

Remaining Grounds of Opposition

[63] The third, fourth and fifth grounds of opposition also turn on the determination of the issue of the likelihood of confusion between the Mark and the Opponent's trade-marks and trade-name Urban Fare, although the material date for assessing the likelihood of confusion in respect of the section 16(1)(a) and (c) grounds is the Applicant's date of first use (i.e. February, 2008) and the material date in respect of the non-distinctiveness ground is the date of opposition (i.e. August 17, 2009).

[64] At the earlier material dates, the Opponent's trade-marks and trade-name would have acquired more distinctiveness than the Mark and would also have been known for a longer period of time. In my view, these differences in material dates do not have a significant impact on the determination of the issue of confusion between the Mark and the Opponent's trade-marks and trade-name. Thus, my findings above that the trade-marks at issue are not confusing, or likely to be confused, likewise applies to these grounds of opposition which are therefore unsuccessful.

Disposition

[65] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.

Cindy R. Folz
Member,
Trade-marks Opposition Board
Canadian Intellectual Property Office