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Docket: T-459-05

Citation: 2006 FC 858

Ottawa, Ontario, July 10, 2006

PRESENT: The Honourable Justice Edmond Blanchard

BETWEEN:

TRADITION FINE FOODS LTD.

Applicant

and

GROUPE TRADITION'L INC.

Respondent

REASONS FOR ORDER AND ORDER

1. Introduction

[1] This is an appeal by Tradition Fine Foods Ltd. (the Applicant) under section 56 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act), challenging the decision of the Trade-marks Opposition Board (the Board) dated December 16, 2004. The Board rejected the Applicant's opposition to the registration by Groupe Tradition'l Inc. (the Respondent) of the trade-mark application for BAGEL TRADITION'L ET DESSIN.

2. Background Facts

[2] The Applicant is a corporation registered under the laws of Ontario; it began operation in 1983. Since its inception, the Applicant has manufactured and sold a range of frozen bakery products, namely, muffin, cake and cookie batters, croissants, danishes and other pastries. In 1990, the Applicant began selling fresh baked goods as well. The Applicant's wares are sold in association with the trade-mark TRADITION to various food distributors, who in turn sell the products to retail outlets such as grocery stores, convenience stores, donut and muffin shops, and restaurants. The Applicant also sells its products to institutional purchasers such as hotels.

[3] The Applicant owns several trade-marks in Canada which include the word TRADITION for use in association with baked goods. The Applicant obtained certificates of registration for the following trade-marks:

(a) **TRADITION**

to be used in association with frozen bakery products, namely muffin, cake and cookie batters, croissants, danishes and other pastries. Certificate of registration No. TMA406,696 received January 8, 1993.

(b)



TRADITION
SCOOP N' BAKE

to be used in association with frozen bakery products, namely cake and muffin batters. Certificate of registration No. TMA409,680 received on March 19, 1993. The right to the exclusive use of the word "Bake" is disclaimed apart from the trade-mark.

(c) **TRADITION**

to be used in association with baked goods, namely muffins, croissants, cookies, cakes and pastries. Certificate of registration No. TMA487,365 received December 22, 1997.



to be used in association with muffin batter and baked muffins, and with cookies. Certificate of registration No. TMA503,636 received on November 4, 1998. The right to the exclusive use of a representation of a muffin, in the case of goods designated as muffin batter and baked muffins is disclaimed apart from the trade mark.

[4] The Applicant has also used the trade-name, TRADITION FINE FOODS, to identify its business since 1983. This trade-name is used on all packaging for products sold in association with the trade-mark TRADITION.

[5] The Respondent has been in operation since 1989. The Respondent, and its predecessors, principally produces a variety of bagels that are sold fresh or frozen, and packaged or in bulk. The Respondent also produces and sells pizza-bagels and cream cheese. The Respondent produces and sells its wares through its *fabrique-restaurant* in Sillery, Quebec.

[6] On May 13, 1997, the corporate predecessor of the Respondent, 3102-6636 Québec Inc., applied to register the trade-mark at issue in this appeal. The application No. 844,912 is a proposed use registration; the proposed trade-mark is intended to be used in association with baked goods such as bagels, pizza bagels, dough and pastry as well as other food products (i.e.

cream cheese), and in association with the operation of restaurants and related services (i.e. the preparation of take-out goods and catering services). The Respondent's proposed trade-mark appears as follows:



In its application, the Respondent has disclaimed exclusive use of the word "Bagel" apart from the trade-mark.

[7] The Respondent already owns two trade-marks using the words BAGEL TRADITION'L:

(a)



to be used in association with the following bakery products: bagels, pizza-bagels, pastries and other products such as cream cheese. Certificate of registration No. TMA497,624 received July 22, 1998. The right to exclusive use of the words "Bagel" and "Café" is disclaimed apart from the trade-mark.

(b) **BAGEL TRADITION'L**

to be used in association with the following bakery products: bagels, pizza-bagels, pastries and other products such as cream cheese. Certificate of registration No. TMA497,625 received July 22, 1998. The right to exclusive use of the word "Bagel" is disclaimed apart from the trade-mark.

[8] On January 28, 1998, after finding there to be doubt as to whether the trade-mark claimed by the Respondent was registrable, the Registrar of Trade-marks published the Respondent's application in the *Trade-marks Journal*, pursuant to subsection 37(3) of the Act, to allow potential interested parties the opportunity to oppose the application.

[9] The Applicant filed a statement opposing registration of the Respondent's trade-mark on May 14, 1998. Pursuant to subsection 38(2) of the Act, the Applicant specified the following as its grounds of objection:

- (1) that the Respondent's trade-mark is not registrable under paragraph 12(1)(d) of the Act because it is confusing with the Applicant's trade-marks;
- (2) that the Respondent is not a person entitled to the registration of its trade-mark under subsection 16(3) of the Act because the trade-mark is confusing with the Applicant's trade-marks; and
- (3) that the Respondent's trade-mark is not distinctive of the Respondent's wares and services as required by section 2 of the Act.

The Applicant also claimed that the Respondent could not register its proposed trade-mark because it did not satisfy the exigencies of paragraph 30(i) of the Act, which required the Respondent to provide a statement with its application for registration that the Respondent is entitled to use the trade-mark in Canada in association with the wares described in its application. This ground of opposition was later abandoned by the Applicant.

[10] The Respondent filed a counter-statement on October 22, 1998, denying the Applicant's grounds of opposition. In particular, the Respondent emphasized that it is the owner of similar trade-marks using the words, BAGEL TRADITION'L, and that it has used these words since May 1989 in association with bakery products. The Respondent also claimed use of the trade-names Bagel Tradition'l and Bagel Tradition'l Café.

[11] On December 16, 2004, the Registrar of Trade-Marks, sitting as the Board, rejected the Applicant's opposition. The Board held that the Respondent had proven, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Applicant's trade-marks and the Respondent's proposed trade-mark. Moreover, the Board held that the Applicant had not established that the Respondent's trade-mark is not distinctive.

3. Applicable Law

[12] In its opposition, the Applicant essentially focuses on two grounds: confusion and distinctiveness. Below, I will outline the provisions of the Act relevant to these grounds of opposition, as well as highlight the relevant jurisprudence. The text of the pertinent statutory provisions is attached to these reasons as Schedule "A".

A. *Confusion*

[13] Paragraph 12(1)(d) of the Act provides that a trade-mark is not registrable if it is confusing with an already registered trade-mark. Similarly, paragraph 16(3)(c) prohibits registration of a proposed use trade-mark that is confusing with an unregistered trade-mark, if the

latter has previously been used in Canada or in respect of which an application for registration has been made.

[14] Section 2 of the Act defines “confusing”; however, it is section 6 which sets out the criteria governing confusion between marks. Specifically, subsection 6(2) states that confusion arises if a prospective purchaser would likely be led to the mistaken inference that the wares or services associated with the respective trade-marks are manufactured or performed by the same person. This provision applies only where trade-marks are used or intended to be used in the same area. In determining whether trade-marks are confusing, the Board must consider the five factors set out in subsection 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 the trade-mark 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.

This list is non-exhaustive; the Board must also take into account any other factor relevant to “all the surrounding circumstances”: see *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22 at paragraph 54, and *Veuve Clicquot Ponsardin, Maison Fondée en 1772 v. Boutiques Cliquot Ltée*,

Mademoiselle Charmante Inc. and 3017320 Canada Inc., 2006 SCC 23 at paragraph 21.

Moreover, as the assessment is context-specific, each factor considered may be given a different weight. While evidence of actual confusion is a relevant consideration, it is not necessary even where trade-marks have operated in the same market area for a long time. However, an adverse inference may be drawn from a lack of such evidence in circumstances where evidence of concurrent use is extensive: see *Christian Dior S.A. v. Dion Neckwear Ltd.*, [2002] 3 F.C. 405, 2002 FCA 29 (C.A.).

[15] The material date for determining confusion differs depending on which section of the Act is invoked. Under paragraph 12(1)(d), the material date is that of the Board's decision: see *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd. et al.* (1991), 37 C.P.R. (3d) 413 (F.C.A) at page 422. The material date for determining confusion under subsection 16(3), as stated in that provision, is the date of the filing of the application for registration.

[16] With respect to the burden of proof, the initial onus is on the party opposing registration to establish that it had used its trade-mark prior to the material date. Once the opponent has done so, the onus then shifts to the person applying to register the trade-mark to show on a balance of probabilities that there is no reasonable likelihood of confusion: see *Sunshine Biscuits Inc. v. Corporate Foods Ltd.* (1982), 61 C.P.R. (2d) 53 (F.C.T.D.). If there is any doubt as to whether the party applying to register a trade-mark has satisfied the requirement of "no reasonable likelihood of confusion", then the Board must refuse the application: see *Conde Nast Publications Inc. v. Union des Éditions Modernes* (1979), 46 C.P.R. (2d) 183 at page 188.

[17] Whether or not trade-marks are confusing depends on the first impression of an “ordinary hurried purchaser”: see *Mattel*, at paragraph 56. In *Miss Universe Inc. v. Bohna*, [1995] 1 F.C.

614 (F.C.A.) at paragraph 9, Justice Robert Décary stated the following:

To decide whether the use of a trade mark or of a trade name causes confusion with another trade mark or another trade name, the court must ask itself whether, as a matter of first impression on the minds of an ordinary person having a vague recollection of that other mark or name, the use of both marks or names in the same area in the same manner is likely to lead to the inference that the service associated with those marks or names are performed by the same person, whether or not the services are of the same general class. (Citations omitted.)

[18] This principle was recently affirmed by the Supreme Court of Canada in *Mattel* at paragraph 56.

What, then, is the perspective from which the likelihood of a “mistaken inference” is to be measured? It is not that of the careful and diligent purchaser. Nor, on the other hand, is it the “moron in a hurry” so beloved by elements of the passing-off bar: *Morning Star Co-Operative Society Ltd. V. Express Newspapers Ltd.*, [1979] F.S.R. 113 (Ch. D.), at p. 117. It is rather a mystical consumer who stands somewhere in between, dubbed in a 1927 Ontario decision of Meredith C.J. as the “ordinary hurried purchasers”: *Klotz v. Corson* (1927), 33 O.W.N. 12 (Sup. Ct.), at p. 13. See also *Barsalou v. Darling* (1882), 9 S.C.R” 677, at p. 693. In *Delisle Foods Ltd. v. Anna Beth Holdings Ltd.* (1992), 45 C.P.R. (3d) 535 (T.M.O.B.), the Registrar stated a p. 538:

When assessing the issue of confusion, the trade marks at issue must be considered from the point of view of the average hurried consumer having an imperfect recollection of the opponent’s mark who might encounter the trade mark of the applicant in association with the applicant’s wares in the market-place.

[19] Moreover, in determining whether trade-marks are confusing, the Board (and the Court) must examine the trade-marks in their totality, as Justice Alice Desjardins stated in *Park Avenue Furniture*, above at page 426.

I agree with the appellant that marks are to be considered in their entirety. On this very point, H. G. Fox says the following:

In applying these tests the first principle to be invoked is that the marks are to be looked at as totalities and not as dissected items. The idea of each mark, that is, the net impression left by the mark as a whole upon the mind is to be considered. It is the mark taken in its entirety that is to be examined and a decision then arrived at whether such mark is likely to cause confusion with one already registered... The true test is whether the totality of the mark proposed to be registered is such that it is likely to cause mistake or deception or confusion in the minds of persons accustomed to the existing trade mark. It is the combination of the marks as a whole that is to be regarded and the effect or idea of the whole that is to be compared.

B. *Descriptiveness*

[20] A trade-mark that is “clearly descriptive” or “misdescriptive” cannot be registered pursuant to paragraph 12(1)(b). In order for a mark to be deemed as “clearly descriptive”, it must be more than merely suggestive of the character or quality of the wares of services in association with which it is used or proposed to be used. Rather, as Justice Danielle Tremblay-Lamer stated in *ITV Technologies v. WIC Television Inc.*, 2003 FC 1056 at paragraph 67, the descriptive character must go to “the material composition or intrinsic quality” of the goods or services or refer to “an obvious intrinsic quality” of the goods or services which are the subject of the trade mark, such as a feature, trait or characteristic belonging to the product itself. Justice Tremblay-Lamer continued by stating at paragraph 71 that it is a matter of first impression.

The test for determining whether a trade-mark infringes paragraph 12(1)(b) is the immediate or first impression formed. The determination must not be based on research into or critical analysis of the meaning of the words (*Oshawa Group Ltd. v. Registrar of Trade Marks*, [1981] 2 F.C. 18). The word “clearly” in paragraph 12(1)(b) is not synonymous with accurately, but rather means easy to understand, self-evident, or plain (*Drackett Co. of Canada v. American Home Products Corp.* (1968), 55 C.P.R. 29). The impression must also be assessed from the perspective of the ordinary, everyday purchaser or user of the wares or services (*Wool Bureau of Canada Ltd. v. Registrar of Trade-marks* (1978), 40 C.P.R. (2d) 25). The perspective of experts or people with special knowledge is not representative of the average ordinary purchaser (*Consozio del Prosciutto de Parma v. Maple Leaf Meats Inc.*, [2001] 2 F.C. 536).

The onus of establishing that a proposed trade-mark is “clearly descriptive” or “deceptively misdescriptive” is on the party opposing registration: see *Best Canadian Motor Inns Ltd. v. Best Western International Inc.* (2000), 30 C.P.R. (4th) 481 at paragraph 24.

C. *Distinctiveness*

[21] A mark which is “clearly descriptive or deceptively misdescriptive” of the wares or services and consequently not registrable under section 12(1)(b) may still be registrable if the mark is “distinctive” pursuant to subsection 12(2). Section 2 of the Act defines “distinctive” as a trade-mark which either (a) actually distinguishes the wares in association with which the trade-mark is used from other wares, or (b) is adopted to so distinguish between the wares.

[22] Justice Barry Strayer in *Carling Breweries Ltd. v. Molson Companies Ltd.* (1985), 1 C.P.R. (3d) 191 at page 197, held that the burden of proof falls on the party applying to register the trade-mark, and that the onus was a heavy one:

... There are various authorities to the effect that where one must prove that a normally descriptive word has acquired a secondary meaning so as to make it descriptive of a particular product, the onus is indeed heavy: [citations omitted]. ... The onus, as I noted above, is on the applicant for registration of such a mark to demonstrate clearly that it has become so distinctive of his product that it has acquired a secondary meaning which would not, vis à vis the relevant public, normally be confused with the primary meaning of the word.

4. Evidence before the Board

[23] Both parties provided the Board affidavits with attached exhibits. Additionally, the parties submitted written arguments and made oral submissions at a hearing convened by the Board.

[24] In support of its opposition, the Applicant tendered the affidavit of Peter Glowczewski, the founder and president of Tradition Fine Foods. Mr. Glowczewski attests in his affidavit, sworn on August 27, 1999, to the history of the Applicant's business and to the Applicant's registered trade-marks, which include the word TRADITION. Moreover, Mr. Glowczewski attests to the sales figures associated with TRADITION products, and to the packaging and promotion of those products. Attached to his affidavit are numerous exhibits showing the use of the Applicant's trade-marks on the packaging of its products and its promotional efforts; the examples in these exhibits are not dated.

[25] On cross-examination, Mr. Glowczewski acknowledges that the Applicant did not begin bagel sales until October 1995, and that the Applicant's bagels did not bear the Applicant's trade-marks. Rather, the bagels were sold exclusively to hotel chains in boxes bearing the Applicant's trade-name. As well, Mr. Glowczewski admits that the Applicant never sold pizza bagels or cream cheese, nor had it offered restaurant or catering services.

[26] The Respondent submitted three affidavits as evidence. The affidavits were those of François Joyet, Johanne Clouet and Doris Dion.

[27] Mr. Joyet, president of Groupe Tradition'l Inc., attests to the history and business activities of the Respondent. Mr. Joyet provides evidence regarding the company's use and registration of the BAGEL TRADITION'L trade-marks in Canada. Mr. Joyet also attests to the total sales between 1989 and 1999 under the trade-mark BAGEL TRADITION'L, as well as the amount of monies spent by the Respondent for marketing and promotions during that same time period. Attached to Mr. Joyet's affidavit are numerous exhibits showing the use of the Respondent's trade-mark; however, the examples in these exhibits are not dated. Finally, Mr. Joyet deposes that he does not know of any occurrences of confusion between the Respondent's trade-marks containing the words BAGEL TRADITION'L and the Applicant's trade-marks.

[28] On cross-examination, Mr. Joyet clarified the dates relevant to the exhibits attached to his affidavit.

[29] Ms. Clouet, a legal assistant with McCarthy Tétrault (the trade-mark agent for the Respondent), attests to having purchased products with the word “tradition” on their labels at several grocery stores in Quebec. Attached to Ms. Clouet’s affidavit are 15 exhibits, which contain either labels of products featuring the word “tradition” or receipts of her purchases of those products. Ms. Clouet was not cross-examined on her affidavit.

[30] In her affidavit, Ms. Dion, an employee with McCarthy Tétrault, attests to searching for trade-marks through the Internet site of the Canadian Intellectual Property Office and finding 188 documents with the word, “tradition.” Her findings are attached as exhibits. Of those 188 trade-marks, Ms. Dion states that 67 are in relation to food products. Ms. Dion was not cross-examined on her affidavit.

[31] In reply, the Applicant submitted an affidavit sworn by Patricia MacFarlane. Ms. MacFarlane’s affidavit is not before the Court.

5. Board’s Decision

[32] In its decision dated December 16, 2004, the Board dismissed the Applicant’s opposition on all grounds alleged. The Board’s decision is reported as *Tradition Fine Foods Ltd. v. 3102-6636 Québec Inc.* (2004), 46 C.P.R. (4th) 185.

[33] The Board reviewed the evidence adduced by the parties in its reasons. With respect to Mr. Glowczewski’s affidavit, the Board noted that despite the “abundance of documentary evidence” there was very little information about the periods during which the packaging

samples attached as exhibits were used. The Board stated that it had to rely on the cross-examination of Mr. Glowczewski in order to attempt to establish the dates when some of the packaging or advertising flyers were used.

[34] The Board stated that the only relevant evidence in Mr. Joyet's affidavit related to the use of the Respondent's already registered trade-marks. With respect to the exhibits attached to Mr. Joyet's affidavit, the Board stated that it would only consider those exhibits for which Mr. Joyet provided a period of use under cross-examination. As for the affidavits of Ms. Clouet and Ms. Dion, the Board stated that it was only considering the packaging and trade-marks specifically related to food products. As a result, the Board found six of the examples provided by Ms. Clouet and 21 of the trade-marks referenced by Ms. Dion to be relevant to the proceedings.

[35] In further comments about the evidence, the Board stated that it accepted that the Applicant had used the word mark "tradition" since at least as early as 1984 in association with frozen baked goods and frozen batter for making baked goods. However, the Board also noted that the Applicant's bagel sales did not begin until October 1995 and that its bagels were not packaged individually or in bulk bearing any of the Applicant's trade-marks. Regarding the Respondent's sales, the Board pointed out that the Respondent did not provide any figures associated solely with the use of the BAGEL TRADITION'L trade-mark and, therefore, held that the Respondent's sales figures were of no assistance.

[36] For the purpose of the opposition proceeding, the Board stated that it was comparing the word mark in the Respondent's proposed trade-mark with the Applicant's word mark

TRADITION, since the Board believed “this is the instance where the [Applicant] has the greatest chance of success because the design portions of the [Applicant’s] other Trade-Marks are totally different from the [Respondent’s] Trade-Mark”. Moreover, the Board stated that for the purpose of its analysis it would “even consider that the use of any of the [Applicant’s] design marks as evidence of the use of the word mark TRADITION”.

[37] The focus of the Board’s analysis was on the “confusion” ground of opposition. In making its determination, the Board explicitly dealt with the five factors set out in subsection 6(5) of the Act, as well as several additional factors. In relation to confusion, the Board made the following findings.

(i) *inherent distinctiveness*

[38] Regarding the inherent distinctiveness of the trade-marks and the extent to which they have become known, the Board held that neither the Applicant’s trade-marks nor the Respondent’s proposed trade-mark confer much inherent distinctiveness. Specifically, with respect to the Applicant’s trade-marks, the Board referred to *Tradition Fine Foods Ltd. v. The Oshawa Group Ltd. et al.*, 2004 FC 1011. In discussing the inherent distinctiveness of the Applicant’s trade-marks, Justice James O’Reilly stated the following at paragraph 38:

...The plaintiff’s trade-mark is a common word, suggesting of qualities worthy of respect and preservation, naturally associated with good food. This kind of trade-mark is less distinctive and generally merits less protection than unique trade-marks: [citations omitted]. The evidence shows that the name “Tradition”, or some close variation of it, is used by many other food producers who co-exist in the marketplace seemingly without confusion.

The Board also commented that the Respondent's trade-mark is very weak because its word element is "highly suggestive of traditional bagels". In comparison, the Board found the Applicant's trade-marks to be more known than the Respondent's registered trade-marks, particularly given that the Respondent provided no sales figures for products bearing the trade-mark BAGEL TRADITION'L.

(ii) *length of time*

[39] With respect to the length of time the trade-marks have been in use, the Board held that this factor favoured the Applicant. The Board accepted that the Applicant has used its trade-marks since at least as early as 1984, and that the Respondent had used its trade-mark since 1997 or 1998.

(iii) *nature of wares*

[40] As for the nature of wares, services or business, the Board stated that while the Applicant's and the Respondent's wares fell within the same general class of "baked goods", there is a difference between a bagel and a muffin. Further, with respect to the Respondent's other wares and services, such as the preparation of take-out goods and catering services, the Board held that they are not of the same nature as that of the Applicant.

[41] Later in its reasons, the Board cited the decision of Justice Louis-Marcel Joyal in *Clorox Co. v. Sears Canada Inc.* (1992), 41 C.P.R. (3d) 483. At page 490 of that decision, Justice Joyal stated that the Board and the Court should be cautious about giving too much weight to the fact

that wares of the applicant and the opponent exist in the “same general class”, especially in the case of a weak mark or weak marks.

(iv) *nature of the trade*

[42] In relation to the nature of the trade, the Board noted that although there is an overlap between the Applicant’s and Respondent’s business activities with respect to the sale of baked goods, the Respondent’s other activities are distinct from the Applicant’s activities.

(v) *degree of resemblance*

[43] Finally, regarding the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them, the Board found that by looking at the trade-marks as a whole rather than comparing each of their elements separately, the degree of resemblance between the Applicant’s and the Respondent’s respective trade-marks is “rather small”. Specifically, the Board noted that because the Respondent’s trade-mark contains a design, the word “bagel”, and the “1” symbol, it is distinguishable from the Applicant’s trade-mark TRADITION.

(vi) *other factors*

[44] In addition to the factors set out in subsection 6(5) of the Act, the Board considered several other factors in determining the reasonable likelihood of confusion between the Respondent’s and the Applicant’s trade-marks.

[45] First, in response to the Respondent's submission that it had already obtained certificates of registration containing the word portion of the trade-mark – that is, BAGEL TRADITION'L – without opposition by the Applicant, the Board stated that registration of one trade-mark does not automatically entitle the Respondent to registration of a similar trade-mark.

[46] Second, the Board rejected the Applicant's submission that the existence of other trade-marks in the Register with the word "tradition" is not relevant to whether or not the average consumer would likely be confused between the Respondent's and Applicant's trade-marks, as there is no evidence that any of those other trade-marks are used in association with baked goods. The Board disagreed, stating that the average consumer would be able to distinguish the origin of a muffin bearing the trade-mark TRADITION from a bagel sold in association with the Respondent's proposed trade-mark.

[47] Third, the Board dismissed the Applicant's claim that it holds a "family of trade-marks" containing the word "tradition". The Board stated that, based on the evidence in the record, the word "tradition" is commonly used by others in the food industry. The Board cited the decision of *Man and His Home Ltd. v. Mansoor Electronic Ltd.* (1999), 87 C.P.R. (3d) 218 (F.C.T.D.), in which Justice Pierre Denault stated that weak trade-marks are to be afforded "a minimal level of protection". Because the Applicant's trade-mark was weak, the Board held that the concept of a family of trade-marks was of no assistance to the Applicant.

[48] Finally, the Board noted that despite the co-existence of the Applicant's and the Respondent's trade-marks, there were no reported instances of actual confusion in evidence.

[49] In summary, the Board held that the Respondent had discharged its burden of proving on a balance of probabilities that there is no reasonable likelihood of confusion between the Applicant's and Respondent's respective trade-marks. The Board gave the following reasons for arriving at this decision:

- (a) the Applicant's trade-marks have very little inherent distinctiveness when used in association with food products;
- (b) when considered in its entirety, the Respondent's trade-mark is entirely different from the Applicant's trade-marks;
- (c) no instance of confusion has been proven; and
- (d) given the use of other trade-marks containing the word "tradition", the average consumer would be able to distinguish between the Applicant's and the Respondent's trade-marks.

While the Board considered the word mark "tradition", it also considered the trade-marks in their totality. In its reasons, the Board concluded as follows:

I would have reached the same conclusion if I had compared the Trade-Mark to one of the Opponent's trade-marks that contain a design portion. Indeed, the marked difference of the design portions of the trade-marks in issue would add to the distinction between the Trade-Mark and the Opponent's other trade-marks.

[50] On the basis of the above reasons, the Board also dismissed the Applicant's two other grounds of opposition, noting that the likelihood of confusion was at the heart of those grounds.

6. Issues

[51] Two issues are raised on this appeal:

- A. Did the Board err in finding that there was no reasonable likelihood of confusion between the Respondent's proposed trade-mark and the Applicant's trade-marks?
- B. Did the Board err in disposing of the Applicant's third ground of opposition in respect to distinctiveness as it did?

7. Standard of Review

[52] Section 56 of the Act specifically provides for a right to appeal a decision of the Board to the Federal Court. Moreover, subsection 56(5) provides that on appeal the parties may adduce additional evidence that was not before the Board. However, the mere existence of a statutory right of appeal is not sufficient to dictate the standard by which the Court will review the Board's decision. As reaffirmed by the Supreme Court of Canada in *Dr. Q. v. College of Physicians and Surgeons of British Columbia*, [2003] 1 S.C.R. 226, the Court must still determine the appropriate standard of review by conducting a pragmatic and functional analysis.

[53] In *Mattel*, above at paragraphs 35 to 39, Justice Ian Binnie applied the pragmatic and functional approach in determining the appropriate standard for reviewing an Opposition Board's decision with respect to confusion. Below, I set out the Supreme Court's discussion of each of the four contextual factors:

(1) Presence or Absence of a Privative Clause or Statutory Right of Appeal

¶ 35 The Act provides for a full right of appeal to a Federal Court judge who is authorized to receive and consider fresh evidence (ss. 56(1) and

56(5). There is no privative clause. Where fresh evidence is admitted, it may, depending on its nature, put quite a different light on the record that was before the Board, and thus require the applications judge to proceed more by way of a fresh hearing on an extended record than a simple appeal (*Philip Morris Inc. v. Imperial Tobacco Ltd. (No. 1)* (1987), 17 C.P.R. (3d) 289 (F.C.A.)). Section 56 suggests a legislative intent that there be a full reconsideration not only of legal points but also of issues of fact and mixed fact and law, including the likelihood of confusion. See generally *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145 (C.A.), at paras. 46-51; *Novopharm Ltd. v. Bayer Inc.* (2000), 9 C.P.R. (4th) 304 (F.C.A.), at para. 4, and *Garbo Creations Inc. v. Harriet Brown & Co.* (1999), 3 C.P.R. (4th) 224 (F.C.T.D.).

(2) The Board's Expertise

¶ 36 The determination of the likelihood of confusion requires an expertise that is possessed by the Board (which performs such assessments day in and day out) in greater measure than is typical of judges. This calls for some judicial deference to the Board's determination, as this Court stressed in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.*, [1969] S.C.R. 192, at p. 200:

In my view the Registrar's decision on the question of whether or not a trade mark is confusing should be given great weight and the conclusion of an official whose daily task involves the reaching of conclusions on this and kindred matters under the Act should not be set aside lightly but, as was said by Mr. Justice Thorson, then President of the Exchequer Court, in *Freed and Freed Limited v. The Registrar of Trade Marks et al.*: [[1951] 2 D.L.R. 7, at p. 13]:

... reliance on the Registrar's decision that two marks are confusingly similar must not go to the extent of relieving the judge hearing an appeal from the Registrar's decision of the responsibility of determining the issue with due regard to the circumstances of the case.

¶ 37 What this means in practice is that the decision of the registrar or Board "should not be set aside lightly considering the

expertise of those who regularly make such determinations”: *McDonald’s Corp. v. Silcorp Ltd.* (1989), 24 C.P.R. (3d) 207 (F.C.T.D.), at p. 210, aff’d (1992), 41 C.P.R. (3d) 67 (F.C.A.). Reception of new evidence, of course, might (depending on its content) undermine the factual substratum of the Board’s decision and thus rob the decision of the value of the Board’s expertise. However, the power of the applications judge to receive and consider fresh evidence does not, in and of itself, eliminate the Board’s expertise as a relevant consideration: *Lamb v. Canadian Reserve Oil & Gas Ltd.*, [1977] 1 S.C.R. 517, at pp. 527-28.

(3) The Purpose of the *Trade-marks Act* and in Particular the Trade-mark Registration Scheme

¶ 38 In *Dr. Q*, the Chief Justice pointed out that “[a] statutory purpose that requires a tribunal to select from a range of remedial choices or administrative responses, is concerned with the protection of the public, engages policy issues, or involves the balancing of multiple sets of interests or considerations will demand greater deference from a reviewing court” (para. 31). An inquiry into the likelihood of the “mistaken inference” does not call for the exercise of discretion. Nor is the Board in this respect making public policy decisions or allocating scarce resources. Essentially, the Board is deciding a *lis* between the parties in a procedure that looks like an informal version of an everyday court case.

(4) Nature of the Question in Dispute

¶ 39 While the appellant frames its argument as a challenge to the correctness of the interpretation given to s. 6 by the Federal Court of Appeal in *Pink Panther* and *Lexus*, I think that in reality, for reasons which I will develop, its challenge is directed to the relative weight to be given to the s. 6(5) enumerated and unenumerated factors. The legal issue is not neatly extricable from its factual context, but calls for an interpretation within the expertise of the Board. In answer to the *Bibeault* question (“Did the legislator intend the question to be within the jurisdiction conferred on the tribunal?” (p. 1087)), I think the answer is yes, within reasonable limits. See also *Pezim v. British Columbia (Superintendent of Brokers)*, [1994] 2 S.C.R. 557, at p. 595; *Canadian Broadcasting Corp. v. Canada (Labour Relations*

Board), [1995] 1 S.C.R. 157, at p. 185; *Canada (Director of Investigation and Research) v. Southam Inc.*, [1997] 1 S.C.R. 748, at para. 43; *Moreau-Bérubé v. New Brunswick (Judicial Council)*, [2002] 1 S.C.R. 249, 2002 SCC 11, at para 61.

[54] After considering the four contextual factors – in particular, the right to appeal and the expertise of the Board – Justice Binnie concluded that the applicable standard for reviewing the Board’s decision with respect to confusion is reasonableness. The Supreme Court noted that its conclusion is consistent with the jurisprudence of the Federal Court of Appeal: see, for example, *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145 (*Labatt*); *Novopharm Ltd. v. Bayer Inc.* (2000) 9 C.P.R. (4th) 304; *Polo Ralph Lauren Corp v. United States Polo Assn.* (2000), 9 C.P.R. (4th) 51; and *Christian Dior*, above.

[55] In my view, the Supreme Court’s analysis and its determination as to the appropriate standard of review are applicable in this present case, primarily because the matter before this Court also revolves around the factual determination by the Board that no confusion between the respective trade-marks is reasonably likely. In *Law Society of New Brunswick v. Ryan*, [2003] 1 S.C.R. 247, Justice Frank Iacobucci provided some guidance for conducting a review on a reasonableness standard, explaining at paragraph 55 the characteristics of an unreasonable decision.

A decision will be unreasonable only if there is no line of analysis within the given reasons that could reasonably lead the tribunal from the evidence before it to the conclusion at which it arrived.

Such a review requires the Court to conduct a “somewhat probing analysis” into the facts and circumstances before the Board. Moreover, at paragraph 8 of *Christian Dior*, above, Justice Décary stated that the reasonableness standard is synonymous to “clearly wrong”.

[56] Although the Supreme Court of Canada in *Mattel*, and the cases referenced, dealt with a decision by the Board concerning confusion between trade-marks, in my view, the analysis conducted by the Supreme Court in *Mattel* in regards to the four contextual factors on application of the pragmatic and functional approach in respect to confusion applies equally to distinctiveness. In the result, the same standard of review articulated above applies to the Board’s decision respecting the issue of distinctiveness.

[57] The standard of reasonableness applies in circumstances where the Court is reviewing the Board’s decision based only on the evidence that was before the Board. However, as previously noted, an appeal pursuant to section 56 of the Act permits either party to introduce new evidence before the Court. In cases where one or both parties elects to do so, the Court will have more latitude in dealing with the Board’s decision. In *Labatt*, above at paragraph 29, Justice Marshall Rothstein stated that, where additional evidence is adduced before the Court, the judge hearing the appeal of the Board’s decision must come to his or her own conclusion as to the “correctness” of the Board’s decisions. Further, as Justice Binnie stated in *Mattel* at paragraph 35, “... [W]here fresh evidence is admitted, it may, [...] require the applications judge to proceed more by way of a fresh hearing on an extended record than a simple appeal.”

[58] The caveat for imposing a more stringent standard of review is that the new evidence must be of such a nature that it would have “materially affected” the Board’s finding of fact or the exercise of its discretion. That is, the mere existence of additional evidence is not enough to cause the Court to displace the deference generally afforded to the Board. As Justice Carolyn Layden-Stevenson noted in *Vivat Holdings Ltd. v. Levi Strauss & Co.*, 2005 FC 707 at paragraph 27, the new evidence must have some probative value in order for it to be considered:

To affect the standard of review, the new evidence must be sufficiently substantial and significant. If the additional evidence does not go beyond what was in substance already before the board and adds nothing of probative significance, but merely supplements or is merely repetitive of existing evidence, then a less deferential standard is not warranted. The test is one of quality, not quantity: *Garbo Group Inc. v. Harriet Brown & Co.* (1999), 3 C.P.R. (4th) 224 (F.C.T.D.); *Canadian Council of Professional Engineers v. APA – Engineered Wood Assn.* (2000), 7 C.P.R. (4th) 239 (F.C.T.D.); *Mattel, Inc. v. 3894207 Canada Inc.* (2004), 30 C.P.R. (4th) 456 (F.C.).

As Justice Layden-Stevenson stated, whether the more exacting standard of correctness is warranted depends on the quality of the additional evidence tendered on appeal.

8. Additional Evidence

[59] In this appeal, both parties adduced new evidence pursuant to subsection 56(5) of the Act. The Applicant filed an additional affidavit of Peter Glowczewski, sworn on April 7, 2005. The Respondents tendered the affidavits of Dara Lithwick and Nancy Fraser, who both work for McCarthy Tétrault and who attest to the research they conducted into the use of the words “tradition” or “traditional” in corporate names and in trademarks, respectively.

[60] The Applicant submits that Mr. Glowczewski's new affidavit provides additional evidence regarding the descriptive nature of the Respondent's mark, the overlap in the nature of the wares of the respective parties, and the likelihood of confusion. Appended to Mr. Glowczewski's affidavit are two exhibits. The first exhibit is a transcript of the examination and cross-examination of François Joyet during trial proceedings in *Tradition Foods Ltd. v. The Oshawa Group Limited et al.*, above (*Tradition v. Oshawa Group*). The second exhibit is an advertising flyer printed in 2004 for Colabar, a food distributor, which was circulated to grocery stores. On the second page of the flyer, the products of the Applicant are listed in a row next to the products of the Respondent.

[61] The Respondent submits that the Court should not consider Mr. Glowczewski's new affidavit in this appeal. The Respondent argues that Mr. Glowczewski's affidavit does not add to the quality of the evidence that was already before the Board and, furthermore, that the transcript of Mr. Joyet's testimony is inadmissible as hearsay. Alternatively, the Respondent submits that should the Court consider Mr. Glowczewski's new evidence in this appeal, then it must also consider the affidavits of Ms. Lithwick and Ms. Fraser.

[62] After reviewing the affidavits filed in this appeal, I am of the view that none of the additional evidence would have materially affected the Board's findings and will consequently not be received on this appeal. My reasons are as follows.

[63] In his second affidavit, Mr. Glowczewski provides a timeline for the products sold by the Applicant under the trade-mark TRADITION, and the promotion and sales related to those

products. For example, he states that the Applicant sold frozen bagels from 1993 or 1994 to 2002. He also deposes that from his over 20 years experience in manufacturing and selling baked goods, that all baked goods are invariably displayed together in the same section of the grocery store. Moreover, he attests that it is not surprising that there are no instances of confusion between the parties' trade-marks because sales related to the Applicant's products constitute only a fraction of the total retail grocery sales in Canada.

[64] After reviewing Mr. Glowczewski's affidavit, I am satisfied that his additional evidence adds nothing of probative significance to assist the Court in deciding the issues at play in this appeal. In fact, it appears that much of the evidence in Mr. Glowczewski's new affidavit is intended to clarify the dates related to the exhibits attached to his first affidavit. I note that the Board had already accepted that the Applicant had used its trade-marks for a longer period than the Respondent had used its trade-marks. Moreover, the Board accepted that the Applicant's and the Respondent's wares fell within the "same general category" known as "baked goods". I am also of the view that Mr. Glowczewski's explanation as to why there are no instances of actual confusion between the Applicant's and Respondent's respective trade-marks does not materially affect the Board's reference to the fact that no such instances of actual confusion were presented by either party.

[65] Regarding the Colabar advertising flyer, Mr. Glowczewski suggests that the flyer evidences the possibility that even grocers will confuse the Applicant's and the Respondent's products. Moreover, in its Memorandum of Fact and Law, the Applicant states that the flyer makes it clear that the parties' products "are being sold and distributed in the identical channels

of trade and are sold side by side”. In my view, such conclusions cannot be drawn from the flyer. In fact, I would suggest, given that products appearing side by side on the flyer are each listed under different corporate names, that grocers reading the flyer would be more inclined to the view that the two companies listed in each row are not the same. Moreover, I cannot see how the positioning of the Applicant’s and the Respondent’s products on the advertising flyer has anything to do with where they will ultimately be placed in the grocery stores, which is where consumers will encounter the products. As such, I see no probative value in this advertising flyer.

[66] As for the transcript of Mr. Joyet’s testimony, it is clear that the Applicant wishes to introduce the transcript as evidence that the Respondent’s proposed trade-mark is not distinctive and, therefore, not registrable. The Applicant submits that Mr. Joyet admits, in his own words, that the word “tradition’l” was chosen because the Respondent’s bagels are made according to a traditional baking style and a traditional recipe. As such, the Applicant contends that the words in the Respondent’s proposed trade-mark are “clearly descriptive” of the character or quality of the wares and services in association with which the trade-mark will be used.

[67] I agree with the Respondent that the transcript of Mr. Joyet’s testimony is inadmissible as hearsay. In *R. v. Hawkins*, [1996] 3 S.C.R. 1043 at paragraphs 58 to 66, the Supreme Court of Canada held that the evidence by prior statement made by a witness in another trial is hearsay. Prior statements made in a different proceeding are generally rejected because they cannot be tested by way of cross-examination in the present proceeding. In *Walkertown (Town of) v. Erdman* (1894), 23 S.C.R. 352, the Supreme Court of Canada ruled that a prior statement is only

receivable if the person who made the statement is unavailable due to death or disability, or because that person cannot be found.

[68] In my opinion, the Applicant wishes the Court to admit Mr. Joyet's statements for the "truth" of the words spoken by Mr. Joyet, namely, that the word "tradition'l" is clearly descriptive of the intrinsic quality of bagels. Admitting such evidence for its truth would violate the rule against hearsay, and the Applicant has not pointed to any exception to the hearsay rule applicable to the transcript of Mr. Joyet's testimony. In *R. v. Khan*, [1990] 2 S.C.R. 531 and *R. v. Smith*, [1992] 2 S.C.R. 915, the Supreme Court of Canada held that an exception to the hearsay rule exists where necessity dictates such an exception and where reliability of the evidence is established.

[69] In this case, the Applicant has failed to indicate why it is necessary to introduce Mr. Joyet's testimony through the transcript produced in another proceeding. I note that the Applicant could have asked Mr. Joyet about the choice of the word "tradition'l" when it cross-examined him on the affidavit he swore on May 29, 2000. The Applicant gives no reason for not doing so. Aside from that, the Applicant has also not adequately explained why it was unable to put the testimony of Mr. Joyet recorded in the transcript before the Board. The Applicant states that the cross-examination of Mr. Joyet took place in 2004 and, consequently, that the above evidence could not be brought before the Board. However, as noted above, the Board specifically referred to the decision of Justice O'Reilly in *Tradition v. Oshawa Group*. The hearing in that proceeding took place in February 2004 and Justice O'Reilly released his decision on July 20, 2004 – almost five months before the Board released its decision. Given that the Applicant was a

party in the proceeding before Justice O'Reilly, the Applicant would have known of the contents of Mr. Joyet's testimony prior to the Board making a decision in the opposition proceeding. If the Applicant felt strongly that Mr. Joyet's statements were probative to the issue of distinctiveness, then it ought to have attempted to bring that evidence before the Board.

[70] Even if I were to consider Mr. Joyet's testimony as recorded in the transcript, I find that the evidence would not change the conclusion reached by the Board with respect to the issue of distinctiveness. In his testimony, Mr. Joyet states that he considers the Respondent's bagels to be traditional and cooked in a traditional way. However, he also states that other people would not consider the Respondent's bagels to be traditional or cooked in a traditional way. As such, I would find that Mr. Joyet's evidence does not establish that "tradition" is clearly descriptive of the "material composition" or the "intrinsic quality" of a bagel.

[71] In summary, even aside from the issue of admissibility, I am satisfied that the evidence in Mr. Glowczewski's new affidavit and attached exhibits do not add anything that would have materially affected the Board's decision. In light of my finding, it is unnecessary for me to consider the additional evidence tendered by the Respondent. In any event, I am of the view that the affidavits of Ms. Lithwick and Ms. Fraser are not probative either. The Board already had before it ample evidence of the word "tradition" appearing in the trade-mark Register and on the labels of products sold in grocery stores. Moreover, that evidence did not form a significant basis for the Board's decision.

[72] For the above reasons, I find that the additional evidence submitted on appeal by the Applicant and the Respondent is not of such a quality that it would have been material to the Board's decision. As a result, I will not proceed by way of a fresh hearing on an extended record. Accordingly, I must decide whether the Board's decisions on the issues of confusion and distinctiveness were reasonable on the evidence that was before it.

8. Analysis

A. *Did the Board err in finding that there was no reasonable likelihood of confusion between the Respondent's proposed trade-mark and the Applicant's trade-marks?*

[73] The Applicant argues that the Board erred in concluding that there was no reasonable likelihood of confusion between the parties' respective trade-marks. Specifically, the Applicant claims that the error arose because the Board:

- (1) applied the wrong test regarding whether similar trade-marks can co-exist among food products in the same general class and sold in the same area of a grocery store;
- (2) drew an adverse inference against the Applicant for not adducing evidence of actual confusion between the trade-marks of the parties;
- (3) focused on the design components of the Respondent's trade-mark and considering the 'L in TRADITION'L to be a symbol, rather than on the similar sound of the parties' respective trade-marks; and
- (4) dissected the parties' trade-marks in determining the degree of resemblance between them, rather than looking at the similarities of the trade-marks as a whole.

[74] The Respondent submits that since the Board considered all the factors set out in subsection 6(5) of the Act its decision that no such likelihood of confusion existed was reasonable. In particular, the Respondent points to the uncontradicted evidence that there are

many other registered trade-marks related to food products and services using the word “tradition” as an important factor indicating that there is not a reasonable likelihood of confusion between the parties’ respective trade-marks.

[75] Upon reviewing the Board’s decision and the evidence that was before it, I find that it was open to the Board to dismiss the Applicant’s opposition on the ground of confusion. I agree with the Board’s conclusion that on first impression there is no reasonable likelihood of confusion between the parties’ respective trade-marks. In fact, I find there to be almost no points of resemblance between the Applicant’s trade-marks and the Respondent’s proposed trade-mark when the trade-marks are considered in their totality, as the jurisprudence requires. In my opinion, given the significant dissimilarity between the Applicant’s trade-marks and the Respondent’s proposed trade-mark, this is a case where the degree of resemblance must be given the most weight in determining the issue of confusion.

[76] Notwithstanding the above, I will now consider the arguments made by the Applicant in this appeal to determine whether the alleged errors if made out are sufficient to undermine the reasonableness of the Board’s decision with respect to the issue of confusion.

[77] Regarding the application of the wrong test, the Applicant submits that the Board misapplied the reasoning in *Clorox*, above, in holding that trade-marks can co-exist within the same product class of wares sold in the same area of a grocery store. The Applicant states that in *Clorox*, the Court found that registration of a trade-mark only limits the owner of the registration from excluding others from using the trade-mark on unrelated food products sold in other

sections of the grocery store. In my view, it is the Applicant who has misstated the reasons of the Court in *Clorox*. In that case, Justice Joyal observed that the “narrow protection” doctrine applies equally to the “similarity of wares” factor as it does to the “inherent distinctiveness” factor under subsection 6(5) of the Act. His point was to caution against giving too much weight to the fact that products fall within the “same general class”; otherwise, holders of weak trade-marks would essentially gain a monopoly over a particular word. That is, just because two trade-marks operate in the “same general class” does not automatically mean that confusion will ensue. Rather, the Board and the Court must consider more specifically how similar the wares are, especially where the opponent’s trade-mark is found to be not inherently distinctive. In the present case, the Board found both the Applicant’s and the Respondent’s trade-marks to be weak and the nature of their respective wares – muffins versus bagels – to be different. Therefore, in my view, the Board properly applied the Court’s decision in *Clorox* in affording little weight to the fact that the Applicant’s and Respondent’s trade-marks both exist in the “same general class” of wares.

[78] With respect to the lack of evidence of actual confusion, the Applicant submits that the Board erred in drawing an adverse inference because there was no evidence of extensive concurrent use of the parties’ respective trade-marks. The Applicant further argues that, in any event, the existence of actual confusion is irrelevant because the Respondent’s trade-mark application is based on proposed use. Although I agree with the Applicant that there was little evidence of concurrent use presented to the Board, I do not take from the Board’s decision that its comment regarding the lack of evidence of actual confusion was determinative of its overall finding with respect to confusion. Moreover, although the trade-mark at issue in this appeal is a proposed use trade-mark, similar trade-marks owned by the Respondent have appeared on

products in the market place for several years now and, as such, it was not improper for the Board to note the fact that no actual instances of confusion between those trade-marks and the Applicant's trade-marks had been reported.

[79] Regarding the Applicant's allegation that the Board erred by focusing on the 'L in TRADITION'L, rather than on the similar sound of the parties' respective trade-marks, I note first that the proposed trade-mark of the Respondent is BAGEL TRADITION'L and not just TRADITION'L. In any event, the pronunciation of TRADITION'L in either English or French is different from the sounding out of the Applicant's trade-mark, TRADITION. As such, in my view, it was reasonably open to the Board to find that an ordinary consumer – even with imperfect recollection – hearing both trade-marks would not likely be confused between them.

[80] I reject the Applicant's fourth allegation that the Board erred in dissecting the parties' trade-marks in determining the degree of resemblance between them. I am of the view that the Board did indeed focus on the totality of the trade-marks as the jurisprudence requires it to do. While the Board considered the word components of the Respondent's proposed trade-mark and the Applicant's trade-marks in conducting its analysis, it determined that the resemblance between trade-marks is "rather small" and, as a result, there is no reasonable likelihood of confusion. The Board's determination, in my view, is based clearly on consideration of the totality of the trade-mark as required. This is acknowledged by the Board in its reasons. The Board's determination in this respect was reasonably open to it on the record.

[81] In summary, the role of the Board was to consider the factors set out in subsection 6(5) of the Act and any other relevant circumstances that arise in this case, and to weigh those factors in determining whether the Respondent met its burden of proving on a balance of probabilities that there is no reasonable likelihood of confusion between the parties' trade-marks. In my view, the Board properly considered all the factors set out in subsection 6(5) and reasonably concluded that there is no reasonable likelihood of confusion. Consequently, I find no basis for the Court to disturb the conclusion reached by the Board in respect of this issue.

B. *Did the Board err in disposing of the Applicant's third ground of opposition in respect to distinctiveness as it did?*

[82] The Applicant's third ground of opposition is that the Respondent's trade-mark is not distinctive. The Applicant contends that the Board erred in concluding that the Respondent's proposed trade-mark is distinctive. In particular, the Applicant argues that the word "tradition'I" is clearly descriptive. Moreover, the Applicant states that there is no evidence that the Respondent's trade-mark had become distinctive through extensive use at the time its application for registration was made. Aside from the word mark, the Applicant also submits that the design elements of the Respondent's trade-mark indicate that it is clearly descriptive. Specifically, the Applicant states that the image of a bagel with two sheaves of wheat, as a whole and as a matter of first impression, simply conveys traditional bagels made of wheat. Further, the remaining components of the mark which are not descriptive of the Respondent's wares – namely, the ribbon, the five stars and the font – are insignificant and are overwhelmed by the wheat and the word mark, according to the Applicant.

[83] In its reasons, the Board considered the inherent distinctiveness of the parties' respective marks as required by subsection 6(5) of the Act in deciding whether the marks are confusing. The Board found that neither the Applicant's trade-mark TRADITION nor the Respondent's proposed trade-mark TRADITION'L have much inherent distinctiveness. The Board went on to dismiss the third ground of opposition in respect of distinctiveness for the same reasons as those offered for dismissing the Applicant's opposition on the ground of confusion.

[84] In this appeal, the Applicant did not point the Court to any evidence ignored by the Board or to any evidence that establishes that the Respondent's proposed trade-mark is clearly descriptive. Moreover, in my view, the Board was entitled to consider the Respondent's proposed trade-mark as a whole and not break it down into its component parts in making its determination. On the evidence, the Applicant has not met its burden of proving that the word "tradition'l" or the imagery of the bagel and wheat sheaves is clearly descriptive of the intrinsic quality of bagels. As a result, it was reasonably open to the Board to dispose of the Applicant's opposition on the ground of distinctiveness as it did. In so doing, it committed no reviewable error.

9. Conclusion

[85] In summary, I find that the Board committed no reviewable error in disposing of the Applicant's opposition to the registration of the Respondent's proposed trade-mark. In the result, this appeal will be dismissed with costs.

ORDER

THIS COURT ORDERS that:

1. The appeal is dismissed.

2. Costs are awarded to the Respondent.

“Edmond P. Blanchard”

Judge

SCHEDULE “A”

Trade-marks Act, R.S.C. 1985, c. T-13

Loi sur les Marques de commerce, L.R.C. 1985, c. T-13

2. “confusing”, when applied as an adjective to a trade-mark or trade-name, means a trade-mark or trade-name the use of which would cause confusion in the manner and circumstances described in section 6;

2. “distinctive”, in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adopted so to distinguish them;

6. (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

(2) 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, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(3) The use of a trade-mark causes

2. « créant de la confusion » Relativement à une marque de commerce ou un nom commercial, s’entend au sens de l’article 6.

2. « distinctive » Relativement à une marque de commerce, celle qui distingue véritablement les marchandises ou services en liaison avec lesquels elle est employée par son propriétaire, des marchandises ou services d’autres propriétaires, ou qui est adaptée à les distinguer ainsi.

6. (1) Pour l’application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un autre nom commercial si l’emploi de la marque de commerce ou du nom commercial en premier lieu mentionnés cause de la confusion avec la marque de commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.

(2) L’emploi d’une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l’emploi des deux marques de commerce dans la même région serait susceptible de faire conclure que les marchandises liées à ces marques de commerce sont fabriquées, vendues, données à bail ou louées, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces marchandises ou ces services soient ou non de la même catégorie générale.

(3) L’emploi d’une marque de commerce

confusion with a trade-name if the use of both the trade-mark and trade-name in the same area would be likely to lead to the inference that the wares or services associated with the trade-mark and those associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(4) The use of a trade-name causes confusion with a trade-mark if the use of both the trade-name and trade-mark in the same area would be likely to lead to the inference that the wares or services associated with the business carried on under the trade-name and those associated with the trade-mark are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have 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 or trade-names in appearance or sound or in the ideas suggested by them.

créée de la confusion avec un nom commercial, lorsque l'emploi des deux dans la même région serait susceptible de faire conclure que les marchandises liées à cette marque et les marchandises liées à l'entreprise poursuivie sous ce nom sont fabriquées, vendues, données à bail ou louées, ou que les services liés à cette marque et les services liés à l'entreprise poursuivie sous ce nom sont loués ou exécutés, par la même personne, que ces marchandises ou services soient ou non de la même catégorie générale.

(4) L'emploi d'un nom commercial crée de la confusion avec une marque de commerce, lorsque l'emploi des deux dans la même région serait susceptible de faire conclure que les marchandises liées à l'entreprise poursuivie sous ce nom et les marchandises liées à cette marque sont fabriquées, vendues, données à bail ou louées, ou que les services liés à l'entreprise poursuivie sous ce nom et les services liés à cette marque sont loués ou exécutés, par la même personne, que ces marchandises ou services soient ou non de la même catégorie générale.

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

- a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;
- b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;
- c) le genre de marchandises, services ou entreprises;
- d) la nature du commerce;
- e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le

12. (1) Subject to section 13, a trade-mark is registrable if it is not

- (a) a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years;
- (b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language or the character or quality of the wares 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;
- (c) the name in any language of any of the wares or services in connection with which it is used or proposed to be used;
- (d) confusing with a registered trade-mark;
- (e) a mark of which the adoption is prohibited under section 9 or 10;
- (f) a denomination the adoption of which is prohibited by section 10.1;
- (g) in whole or in part a protected geographical indication, where the trade-mark is to be registered in association with a wine not originating in a territory indicated by the geographical indication; and
- (h) in whole or in part a protected geographical indication, where the trade-mark is to be registered in association with a spirit not originating in a territory indicated by the geographical indication.

(2) A trade-mark that is not registrable by reason of paragraph (1)(a) or (b) is registrable if it has been so used in Canada by the applicant or his predecessor in title

son, ou dans les idées qu'ils suggèrent.

12. (1) Sous réserve de l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants :

- a) elle est constituée d'un mot n'étant principalement que le nom ou le nom de famille d'un particulier vivant ou qui est décédé dans les trente années précédentes;
- b) qu'elle soit sous forme graphique, écrite ou sonore, elle donne une description claire ou donne une description fautive et trompeuse, en langue française ou anglaise, de la nature ou de la qualité des marchandises ou services en liaison avec lesquels elle est employée, ou à l'égard desquels on projette de l'employer, ou des conditions de leur production, ou des personnes qui les produisent, ou du lieu d'origine de ces marchandises ou services;
- c) elle est constituée du nom, dans une langue, de l'une des marchandises ou de l'un des services à l'égard desquels elle est employée, ou à l'égard desquels on projette de l'employer;
- d) elle crée de la confusion avec une marque de commerce déposée;
- e) elle est une marque dont l'article 9 ou 10 interdit l'adoption;
- f) elle est une dénomination dont l'article 10.1 interdit l'adoption;
- g) elle est constituée, en tout ou en partie, d'une indication géographique protégée et elle doit être enregistrée en liaison avec un vin dont le lieu d'origine ne se trouve pas sur le territoire visé par l'indication;
- h) elle est constituée, en tout ou en partie, d'une indication géographique protégée et elle doit être enregistrée en liaison avec un spiritueux dont le lieu d'origine ne se trouve pas sur le territoire visé par l'indication.

(2) Une marque de commerce qui n'est pas enregistrable en raison de l'alinéa (1)a) ou b) peut être enregistrée si elle a été employée au Canada par le requérant ou

as to have become distinctive at the date of filing an application for its registration.

...

16. (3) Any applicant who has filed an application in accordance with section 30 for registration of a proposed trade-mark that is registrable is entitled, subject to sections 38 and 40, to secure its registration in respect of the wares or services specified in the application, unless at the date of filing of the application it was confusing with

- (a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;
- (b) a trade-mark in respect of which an application for registration had been previously filed in Canada by any other person; or
- (c) a trade-name that had been previously used in Canada by any other person.

37. (1) The Registrar shall refuse an application for the registration of a trade-mark if he is satisfied that

- (a) the application does not conform to the requirements of section 30,
- (b) the trade-mark is not registrable, or
- (c) the applicant is not the person entitled to registration of the trade-mark because it is confusing with another trade-mark for the registration of which an application is pending,

and where the Registrar is not so satisfied, he shall cause the application to be advertised in the manner prescribed.

(2) The Registrar shall not refuse any

son prédécesseur en titre de façon à être devenue distinctive à la date de la production d'une demande d'enregistrement la concernant.

[...]

16. (3) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d'en obtenir l'enregistrement à l'égard des marchandises ou services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n'ait créé de la confusion :

- a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;
- b) soit avec une marque de commerce à l'égard de laquelle une demande d'enregistrement a été antérieurement produite au Canada par une autre personne;
- c) soit avec un nom commercial antérieurement employé au Canada par une autre personne.

37. (1) Le registraire rejette une demande d'enregistrement d'une marque de commerce s'il est convaincu que, selon le cas :

- a) la demande ne satisfait pas aux exigences de l'article 30;
 - b) la marque de commerce n'est pas enregistrable;
 - c) le requérant n'est pas la personne qui a droit à l'enregistrement de la marque de commerce parce que cette marque crée de la confusion avec une autre marque de commerce en vue de l'enregistrement de laquelle une demande est pendante.
- Lorsque le registraire n'est pas ainsi convaincu, il fait annoncer la demande de la manière prescrite.

(2) Le registraire ne peut rejeter une

application without first notifying the applicant of his objections thereto and his reasons for those objections, and giving the applicant adequate opportunity to answer those objections.

(3) Where the Registrar, by reason of a registered trade-mark, is in doubt whether the trade-mark claimed in the application is registrable, he shall, by registered letter, notify the owner of the registered trade-mark of the advertisement of the application.

38. (1) Within two months after the advertisement of an application for the registration of a trade-mark, any person may, on payment of the prescribed fee, file a statement of opposition with the Registrar.

(2) A statement of opposition may be based on any of the following grounds:

- (a) that the application does not conform to the requirements of section 30;
- (b) that the trade-mark is not registrable;
- (c) that the applicant is not the person entitled to registration of the trade-mark; or
- (d) that the trade-mark is not distinctive.

...

(6) The applicant shall file a counter statement with the Registrar and serve a copy on the opponent in the prescribed manner and within the prescribed time after a copy of the statement of opposition has been served on the applicant.

...

(8) After considering the evidence and representations of the opponent and the applicant, the Registrar shall refuse the application or reject the opposition and

demande sans, au préalable, avoir fait connaître au requérant ses objections, avec les motifs pertinents, et lui avoir donné une occasion convenable d'y répondre.

(3) Lorsque, en raison d'une marque de commerce déposée, le registraire a des doutes sur la question de savoir si la marque de commerce indiquée dans la demande est enregistrable, il notifie, par courrier recommandé, l'annonce de la demande au propriétaire de la marque de commerce déposée.

38. (1) Toute personne peut, dans le délai de deux mois à compter de l'annonce de la demande, et sur paiement du droit prescrit, produire au bureau du registraire une déclaration d'opposition.

(2) Cette opposition peut être fondée sur l'un des motifs suivants :

- a) la demande ne satisfait pas aux exigences de l'article 30;
- b) la marque de commerce n'est pas enregistrable;
- c) le requérant n'est pas la personne ayant droit à l'enregistrement;
- d) la marque de commerce n'est pas distinctive.

[...]

(6) Le requérant doit produire auprès du registraire une contre-déclaration et en signifier, dans le délai prescrit après qu'une déclaration d'opposition lui a été envoyée, copie à l'opposant de la manière prescrite.

[...]

(8) Après avoir examiné la preuve et les observations des parties, le registraire repousse la demande ou rejette l'opposition et notifie aux parties sa décision ainsi que

notify the parties of the decision and the reasons for the decision.

56. (1) An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.

(2) An appeal under subsection (1) shall be made by way of notice of appeal filed with the Registrar and in the Federal Court.

(3) The appellant shall, within the time limited or allowed by subsection (1), send a copy of the notice by registered mail to the registered owner of any trade-mark that has been referred to by the Registrar in the decision complained of and to every other person who was entitled to notice of the decision.

(4) The Federal Court may direct that public notice of the hearing of an appeal under subsection (1) and of the matters at issue therein be given in such manner as it deems proper.

(5) On an appeal under subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.

ses motifs.

56. (1) Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois.

(2) L'appel est interjeté au moyen d'un avis d'appel produit au bureau du registraire et à la Cour fédérale.

(3) L'appellant envoie, dans le délai établi ou accordé par le paragraphe (1), par courrier recommandé, une copie de l'avis au propriétaire inscrit de toute marque de commerce que le registraire a mentionnée dans la décision sur laquelle porte la plainte et à toute autre personne qui avait droit à un avis de cette décision.

(4) Le tribunal peut ordonner qu'un avis public de l'audition de l'appel et des matières en litige dans cet appel soit donné de la manière qu'il juge opportune.

(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

FEDERAL COURT
SOLICITORS OF RECORD

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TRADITION'L INC.

PLACE OF HEARING: Toronto, Ontario

DATE OF HEARING: February 14, 2006

REASONS FOR ORDER AND ORDER: Blanchard J.

DATED: July 10, 2006

APPEARANCES:

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