

Federal Court



Cour fédérale

Date: 20240409

Docket: T-853-20

Citation: 2024 FC 556

Ottawa, Ontario, April 9, 2024

PRESENT: The Honourable Madam Justice Tsimberis

BETWEEN:

**PROMOTION IN MOTION, INC.
DBA PIM BRANDS, INC.**

Applicant

and

**HERSHEY CHOCOLATE &
CONFECTIONERY LLC**

Respondent

JUDGMENT AND REASONS

I. Overview

[1] This is an appeal by the Applicant Promotion in Motion, Inc. dba PIM Brands, Inc. [PIM], under section 56 of the Trademarks Act, RSC 1985, c T-13 [TMA], challenging the decision of the Trademarks Opposition Board [Board] dated March 27, 2020 (2020 TMOB 56) [Decision]. PIM sought to register the trademarks SWISSKISS (word) [SWISSKISS Trademark]

and SWISSKISS & Design [SWISSKISS & Design Trademark] depicted below for the goods “Chocolate of Swiss origin” [collectively, the SWISSKISS Trademarks]. The Respondent Hershey Chocolate & Confectionery LLC [Hershey] successfully opposed PIM’s trademark applications based on several registered KISS and KISSES trademarks, which the Board decided based primarily on Hershey’s registration Nos. TMA733,263 for the KISSES trademark [KISSES Trademark] and TMA833,060 for the KISS trademark [KISS Trademark] [collectively “Hershey’s Trademarks”], registered in association with the goods “solid chocolate candy with or without ingredients such as nuts” and “chocolate candy” respectively.



[2] In its Decision, the Board refused PIM’s applications for the SWISSKISS Trademarks. The Board concluded that PIM’s evidence did not show that the term “kiss” is generic in Canada in association with chocolate and that the KISSES and KISS trademarks are devoid of protection in Canada in association with chocolate. The Board found there was a likelihood of confusion between PIM’s SWISSKISS Trademarks and Hershey’s Trademarks, under the grounds of opposition pursuant to sections 12(1)(d) and 16(3)(a) of the TMA.

[3] In this appeal, PIM seeks an Order granting its appeal, setting aside the Decision, and directing the Registrar of Trademarks to allow the applications for the SWISSKISS Trademarks. PIM files extensive new evidence that it argues would have materially affected the Board’s

findings of fact. PIM also argues that the Board made a number of errors in its analysis of whether KISS is a generic term and in its confusion analysis.

[4] PIM confirmed at the hearing of this appeal that it had abandoned the alleged errors elaborated at paragraphs 13(h), 13(i) and 13(k) of its Notice of Application, which it had failed to address in its written representations on appeal.

[5] Setting aside those alleged errors that were confirmed abandoned, PIM asserts in its Notice of Application that the Board committed the following errors that are its grounds of appeal:

13. In particular, and without limitation, the Registrar made the following legal errors:

(a) The Registrar erred in law in concluding that the Respondent had used its KISS or KISSES trademark separate and apart from the HERSHEY's trademark and the associated trade dress. There was no evidence of any such use;

(b) In the alternative, the Registrar erred in law in concluding that any use of the Respondent's KISS and KISSES trademarks, *per se*, was more than *de minimis*;

(c) The Registrar erred in law in concluding that while there was "substantial" evidence showing generic use of the word KISS in association with "a small piece of candy", that evidence did not equally apply to the Respondent's HERSHEY'S KISSES chocolate confection which is also "a small piece of [chocolate] candy" "...wrapped in paper or foil";

(d) The Registrar erred in law in dissecting the Applicant's Marks, which comprise the coined word SWISSKISS and not SWISS and KISS, as suggested by the Registrar;

(e) The Registrar erred in law in failing to consider the distinctive design elements incorporated in the Applicant's SWISSKISS & Design mark, but rather treated the two Applicant's Marks as equivalent;

(f) The Registrar erred in law in holding that the word SWISS, in the context of the Applicant's Marks, was not capable of distinguishing the Applicant's Marks from the Respondent's KISS and KISSES trademarks, or precluding any likelihood of confusion. In the context of chocolate, the word SWISS connotes chocolate of SWISS origin (as intended by the Applicant), whereas the Respondent's Trademarks connote the founder of the Hershey's chocolate brand, Milton S. Hershey, and chocolate made in Hershey, Pennsylvania, U.S.A. This evidence was unchallenged, and it was an error of law for the Registrar not to apply it when assessing the grounds of opposition;

(g) The Registrar erred in law when holding that the KISS element of the Respondent's trademarks was "the most striking element", when that element is generic and descriptive, or in the alternative has a "relatively low degree of inherent distinctiveness". As a matter of law, a striking element must be capable of serving as a source identifier, and the KISS or KISSES element in the Respondent's trademarks cannot serve this function, as the source identifier is always the HERSHEY's house mark;

(j) The Registrar erred in law when assessing the grounds of opposition in failing to accord significant weight to the first part of the coined word in the Applicant's Marks – SWISS – which is entirely different from any word in the trademarks relied upon by the Respondent;

(l) The Registrar erred in law in upholding the Section 12(1)(d) and 16(3)(a) grounds of opposition.

[6] While none of these alleged errors are quite "issues" in and of themselves, they are all specific alleged errors that contribute to the real issues at play. The Court understands the gist of these alleged errors amount to issues of:

1. What is the applicable standard of review given the new evidence filed by both parties?
2. Did the Board commit a reviewable error in its finding that PIM had not satisfied its burden of proof to show that there is no reasonable likelihood of confusion between its SWISSKISS Trademarks, as applied for, and Hershey's registered KISS and KISSES Trademarks?
3. Did the Board commit a reviewable error in its findings that PIM's evidence was insufficient to determine the word "KISS" is generic specifically for chocolate, and

therefore the KISS and KISSES Trademarks are generic or otherwise devoid of distinctiveness in association with chocolate in Canada?

[7] For the reasons that follow, I find that most of the parties' extensive new evidence submitted to the Court is either inadmissible or immaterial or not of a probative value such that it would not have impacted the Board's analysis and does not justify reconsideration of any issues on a *de novo* basis. However, as one of PIM's new affidavits is material, I will consider on a *de novo* basis the issue of whether SWISS, as part of the SWISSKISS Trademarks, is descriptive of the geographic origin of PIM's chocolates of Swiss origin and therefore lacks inherent distinctiveness as the Member of the Board found in his Decision. I further find, on a review of the Decision described as below, that PIM has not demonstrated any reviewable errors with the Board's confusion analysis in concluding that the SWISSKISS Trademarks are not registrable, and PIM is not entitled to their registration. As such, the Board's Decision should be upheld and PIM's appeal is dismissed with costs to Hershey.

II. Background

A. *PIM's Applications and Hershey's Oppositions*

[8] On February 5, 2013, PIM filed application No. 1,612,723 to register the SWISSKISS Trademark [SWISSKISS Trademark Application] and application No. 1,612,724 to register the SWISSKISS & Design Trademark [SWISSKISS & Design Trademark Application] based on proposed use in association with the goods "Chocolate of Swiss origin". The SWISSKISS Trademark Application was advertised for opposition purposes on March 12, 2014, and the SWISSKISS & Design Trademark Application was advertised on October 23, 2013.

[9] On April 28, 2014, Hershey filed a Statement of Opposition against the SWISSKISS Trademark Application and on December 13, 2013, filed a Statement of Opposition against the SWISSKISS & Design Application pursuant to section 38 of the TMA. Since the Statements of Opposition were filed before the TMA's amendment on June 17, 2019, all references in this judgment are to the TMA as amended, with the exception of references to the grounds of opposition, which refer to the TMA as it read before it was amended (see section 70 of the TMA, which provides that section 38(2) of the TMA, as it read prior to June 17, 2019, applies to applications advertised prior to that date). The grounds of opposition are identical in both oppositions and Hershey pleaded grounds of opposition based on the sections 12(1)(d), 16(3)(a), 16(3)(b), 2, as well as 30(e) and 30(i) of the TMA.

[10] PIM filed and served a counter statement in each of the applications in which it denied Hershey's allegations. In essence, PIM submitted that there is no likelihood of confusion between the Hershey's Trademarks and the SWISSKISS Trademarks because (1) the words HERSHEY or HERSHEY'S and SWISS, the dominant portions of the parties' respective trademarks, could not be more different visually; (2) PIM would never use any of the familiar elements associated with the HERSHEY'S KISSES product, e.g., a conical shape or a ribbon extruding vertically from the peak of the candy wrapping; (3) the evidence is that the word "kiss" describes a type of confection, namely, a bite-sized confection. "kiss" is thus a generic word and (a) Hershey cannot assert exclusive rights over the same, and (b) because "kiss" is the only element shared by both parties' marks, over which Hershey cannot assert exclusive rights over, there is no likelihood of confusion ; and (4) in United States trademark infringement and dilution

litigation between the parties, it was held that the defendant PIM's SWISSKISS product does not infringe or dilute the plaintiff Hershey's valid trademark for KISSES.

[11] Before the Board, both parties filed evidence comprising multiple affidavits, which evidence is summarized as follows, with all affiants except Pete Vanslyke and Anastassia Trifonova having been cross-examined:

1. Hershey's evidence-in-chief consisted of certified copies of the trademark registrations and applications for KISS and KISSES on which it relied and the Affidavit of Pete Vanslyke (the Director, Marketing of Hershey Canada Inc.), sworn on July 7, 2014 [Vanslyke Affidavit]. The Vanslyke Affidavit introduced 26 exhibits, and attested to, *inter alia*, the use of Hershey's trademarks in association with chocolates and other goods and services in Canada. The sales, promotion and advertising include scripts for television advertisements, blocking charts for when KISSES-branded television, Internet, and print advertising was aired/distributed, copies of KISSES-branded television commercials in both English and French, cross-promotions Hershey has participated in (i.e., Shoppers Drug Mart), and even non-food products like Christmas ornaments and tote bags prominently using the KISSES marks.
2. PIM's evidence consisted of (i) the Affidavit of Michael G. Rosenberg (the founder, President and CEO of PIM), sworn on November 30, 2016 [Rosenberg 1 Affidavit] and (ii) the Affidavit of Anastassia Trifonova (law student employed by PIM's trademark agents), sworn on December 2, 2015 [Trifonova 1 Affidavit]. The Rosenberg 1 Affidavit describes the history of the SWISSKISS brand, and introduces 36 exhibits of various confectionary conference directories and buyer guides, a dictionary excerpt, various brands that also use "Kiss" or "Kisses" in product names, and the parties' legal dispute- in the United States. The Trifonova 1 Affidavit includes the results of several online searches for candy recipes and products, which include "Kiss" or "Kisses" in product names, as well as several online dictionary entries for the word "Kiss".
3. Hershey's reply evidence consisted of the Affidavit of Laurence Virtue-Deshaies (a lawyer with Hershey's agent), sworn on March 24, 2017 [Virtue-Deshaies Affidavit]. This affidavit includes several screenshots of websites (including many identified in the Trifonova 1 Affidavit) and particulars of trademark applications on the Canadian Intellectual Property Office [CIPO] website.
4. With leave by the Registrar, PIM filed the Supplemental Affidavit of Anastassia Trifonova, sworn on September 20, 2017 [Trifonova 2 Affidavit]. The Trifonova 2 Affidavit includes information and screenshots from the website of a

Newfoundland company named Purity Factories, identifying products including the word “Kisses” in the name.

[12] On behalf of the Registrar, the Board found in favour of Hershey in respect of the s.12(1)(d) registrability ground and the s. 16(3)(a) non-entitlement ground, and considered it unnecessary to address the remaining grounds of opposition. On the s. 12(1)(d) registrability ground, the Board held that PIM had not satisfied its onus on a balance of probabilities to demonstrate no reasonable likelihood of confusion between its SWISSKISS Trademarks and Hershey’s Trademarks and its conclusion is summarized at paras 78 through 80 of its Decision reproduced hereinafter:

Conclusion regarding the section 12(1)(d) ground

[78] Ultimately, the question in this case is whether the average Canadian consumer, with an imperfect recollection of the trademark KISSES and/or KISS in association with chocolate, when they see a Swiss chocolate product bearing the trademark SWISSKISS (or SWISSKISS & Design), would think that the products come from the same source. In my view, if I am to afford any scope of protection to registrations TMA733,263 and TMA833,060, I must answer that question in the affirmative.

[79] The Applicant’s Marks are comprised of a descriptive term “SWISS” preceding the term “KISS” for which there are already registered rights in Canada in association with chocolate. I find it reasonable to assume that consumers familiar with the trademark KISSES and/or KISS in association with chocolate would think that Swiss chocolate bearing the trademarks SWISSKISS and SWISSKISS & Design comes from the same entity as the owner of the registered marks, or has been, at the very least, approved, licensed or sponsored by the owner of those registered marks.

[80] In considering this issue, I must take into account that the Applicant’s Word Mark Application and Design Mark Application are not circumscribed by any particular colour or packaging style that might help to reduce the likelihood of confusion in the marketplace. To the contrary, registration of the Applicant’s Word Mark and Design Mark would entitle the Applicant to depict the Marks in any colour or get-up the Applicant might choose.

[13] The Board then found that Hershey had met its initial evidential burden to demonstrate use of the trademark KISSES and/or KISS in Canada prior to the filing date of the applications for the SWISSKISS Trademarks and found Hershey's s. 16(3)(a) non-entitlement ground successful for the same reasons and based on the same analysis of the issue of a likelihood of confusion. The heart of the Board's conclusion on the non-entitlement ground is at paras 83 and 84 of its Decision reproduced hereinafter:

[83] As noted above, the Opponent's evidence indicates that it has used the trademark KISSES in Canada in association with chocolate continuously since 1962. The extent of the Opponent's use of the trademark KISS appears to be much less than the trademark KISSES; nevertheless, the Vanslyke Affidavit includes examples of the Opponent's use of the trademark KISS from prior to the material date for this ground [see Exhibit "F" to the Vanslyke Affidavit which includes examples of the use of the trademark KISS prior to December 31, 2008]. There is no evidence to suggest that the Opponent has abandoned the trademarks KISSES or KISS as of the dates of advertisement of the Applications. Consequently, the Opponent has met its initial evidential burden with respect to the section 16(3)(a) ground of opposition.

[84] The Opponent having met its initial burden, in my view, the analysis of the issue of a likelihood of confusion under the section 16(3)(a) ground of opposition is effectively identical to that for the section 12(1)(d) ground. That is to say, the earlier material date for the section 16(3)(a) ground does not materially change the analysis.

B. *The Parties' New Evidence on Appeal*

[14] Both parties filed extensive new evidence in this appeal, further to section 56(5) of the TMA.

(1) PIM's New Evidence

[15] On appeal, PIM filed certified copies of the file histories of its applications for the SWISSKISS Trademarks and the following six (6) new affidavits, 3 of which are affidavits with expert evidence:

(a) *Rosenberg 2 Affidavit*

[16] The second affidavit of Michael Rosenberg, sworn on December 4, 2020 [Rosenberg 2 Affidavit], appears to respond to paragraph 51 of the Decision, where the Board distinguished the analysis in the US infringement and dilution action involving product packaging and the Board's analysis is centred on the trademarks subject of the applications where, for example, the SWISSKISS word mark entitles the owner to depict the mark in whatever font, style, colour it may choose. At paragraph 51, the Board stated, "I am obliged to consider the possibility that the Applicant might well choose to depict its Marks in a colour and packaging get-up that more closely resembles that of the Opponent, as compared to the specific packaging that was before the Court in the U.S. Infringement Action".

[17] The Rosenberg 2 Affidavit states that PIM has, at no time, intended to depict either of the SWISSKISS Trademarks in any way that resembles the HERSHEY'S KISSES product and/or their packaging, which is inconsistent with its marketing of a premium Swiss chocolate. He also confirms that PIM will not use packaging "get-up" that in any way is similar to that currently being used for HERSHEY'S KISSES products, being a conical teardrop-shaped foil wrapped

chocolate with a ribbon extending from the peak of the wrapper or the same shade of brown that Hershey uses.

[18] Based on his own experience as described in the Rosenberg 1 Affidavit, Mr. Rosenberg claims the colour brown is commonly used to market chocolate products and PIM may need to use a shade or shades of brown as part of the marketing of, at least, certain flavours of chocolate, but PIM will not use any packaging that is in any way similar to HERSHEY'S KISSES.

(b) *Corbin Affidavit*

[19] The Affidavit of Dr. Ruth Corbin, sworn on November 24, 2020 [Corbin Affidavit], includes 3 exhibits:

- Exhibit A – Certificate Concerning Code of Conduct for Expert Witnesses signed on November 3, 2020;
- Exhibit B – Curriculum Vitae of Dr. Corbin dated October 2020; and,
- Exhibit C – Full Research Report dated October 27, 2020, along with all materials employed and with detailed tables of data.

[20] Dr. Corbin is the Chair and former Managing Partner of CorbinPartners Inc. [CorbinPartners], a marketing science company that conducts market research. Marks & Clerk Law LLP [Marks & Clerk] , on behalf of their client PIM, retained Dr. Corbin and CorbinPartners to plan, design and implement a survey of Canadians who have purchased from a retail store, or intend to purchase, Swiss chocolate. The purpose of the research was to measure the source, if any, that consumers attribute to the SWISSKISS & Design logo (i.e., the

SWISSKISS & Design Trademark) and, in particular, to measure the extent, if any, to which consumers would mistakenly infer that the logo is sourced by Hershey based on its use of the word “KISS” in the logo.

[21] The survey was conducted online by way of an Internet-based questionnaire between September 1st and 24th, 2020, with a total of four hundred and fifty-four (454) online Canadian participants who were Swiss chocolate purchasers who have purchased from a retail store at least once in the past three (3) months or intend to purchase in the next three (3) months. Three hundred and thirty (330) were Test Group participants being shown the image of the SWISSKISS & Design logo depicted hereinafter and one hundred and twenty-four (124) were Control Group participants being shown the image of the SWISSWISH & Design logo depicted hereinafter:

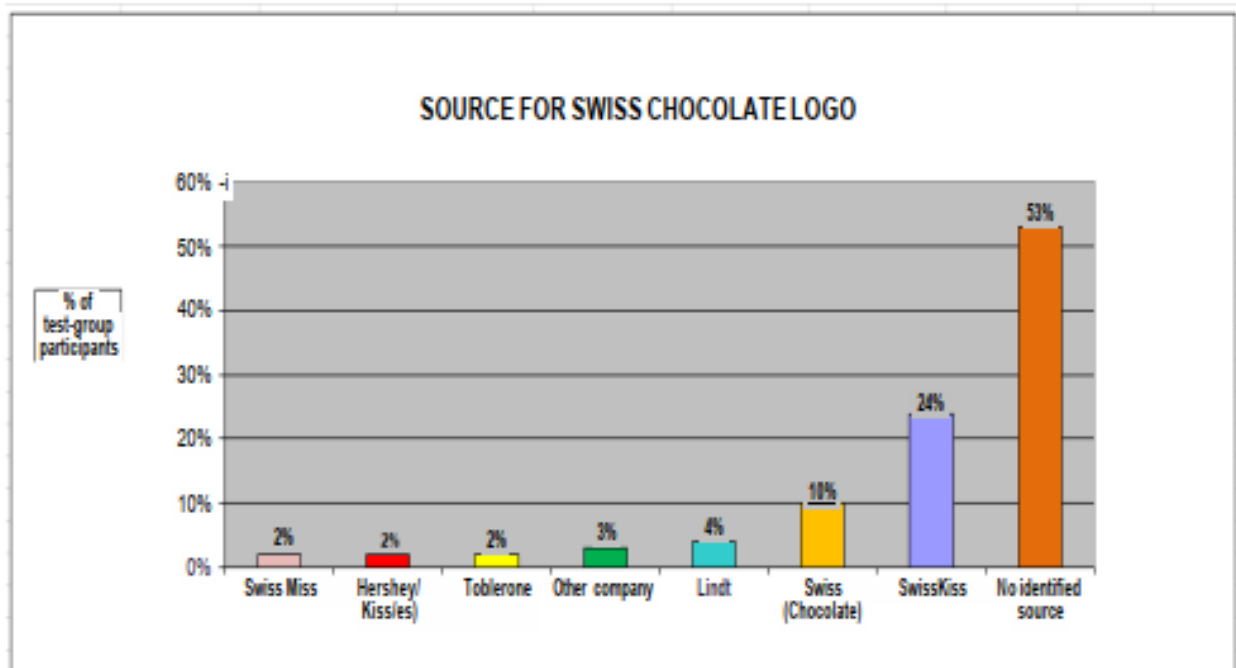
Test Group	Control Group
	

[22] All 454 participants in both the Test Group and the Control Group answered the same series of questions, including anything known about Swiss chocolate products using the logo shown, and what company puts out Swiss chocolate using the logo shown. If a company was identified, participants were asked for reasons that company was named. The Control Group was included to permit an inference of cause and effect, with a control group performing a similar function to a placebo in a medical experiment in order to infer that perceptions were caused by

the SWISSKISS & Design logo being tested as opposed to random guessing. The survey's findings and methodology are contained in the Exhibit C - Full Research Report [Corbin SWISSKISS & Design Study]. The results of Corbin SWISSKISS & Design Study are:

1. As shown in Figure ES-1, the majority of Test Group participants shown the SWISSKISS & Design logo could not identify any specific company source of the logo. Almost a quarter (24%) of Test Group participants named SWISSKISS, the product name, as the company source. Two percent (2%) of Test Group participants were deemed to have mistakenly inferred the source of the SWISSKISS & Design logo to be Hershey, either by mentioning "Hershey" or referring to the "KISS(ES)" product:

FIGURE ES-1



2. No one (0%) of the Control Group participants (shown the SWISSWISH logo) mistakenly inferred the source of the SWISSWISH & Design logo to be Hershey, either by mentioning "Hershey" or referring to the "KISS(ES)" product.

[23] The Corbin SWISSKISS & Design Study concluded that:

1. The majority of survey participants either did not identify the SWISSKISS & Design logo with a specific source, or identified its source as a company with the same name as that shown in the logo; and,

2. There was no statistically significant evidence of mistaken inference that Hershey is the source of the product using the SWISSKISS & Design logo.

(c) *Bourque Affidavit*

[24] The Affidavit of Mr. Christian Bourque, sworn on November 26, 2020 [Bourque Affidavit], includes 3 exhibits:

- Exhibit A - Curriculum Vitae of Mr. Bourque;
- Exhibit B - Certificate Concerning Code of Conduct for Expert Witnesses signed on November 26, 2020; and,
- Exhibit C - Research Report dated November 23, 2020, and Appendices.

[25] Mr. Bourque is the Executive Vice-President and Senior Partner at Leger, a market and public opinion research firm. Marks & Clerk, on behalf of their client PIM, retained Mr. Bourque and Leger to conduct a survey of Canadians who are Swiss chocolate purchasers. The purpose of the research was to assess general impressions of the SWISSKISS (word) brand, and to measure to which extent, if any, purchasers of Swiss chocolate at a retail store mistakenly infer that SWISSKISS originates from Hershey. Mr. Bourque was provided with a survey questionnaire that he was told was prepared by Dr. Corbin, which related to a logo. After reviewing the questionnaire to ensure it was suitable for the mandate he was given, he proceeded to use it for his research study.

[26] The survey was conducted online by way of an Internet-based questionnaire between October 5th and 16th, 2020 with a total of five hundred and fifteen (515) online participants who were screened as Swiss chocolate purchasers as detailed above. Three hundred and fifty-five

(355) Test Group participants were shown the image of the SWISSKISS brand and one hundred and fifty-six (156) Control Group participants were shown the SWISSWISH brand. All 515 of the participants answered the same series of questions as in the Corbin SWISSKISS & Design Study, including anything known about Swiss chocolate products using the brand shown, and what company puts out Swiss chocolate using the brand shown. The survey's findings and methodology are contained in the Exhibit C - Research Report of Leger [Bourque SWISSKISS Study]. The results of the Bourque SWISSKISS Study are:

1. As shown in Figure below, 41% of Test Group participants (shown the SWISSKISS brand) named SWISSKISS, the product name, as the company source. A total of 3% of Test Group participants (2% spontaneous association and 1% association as the maker) associated HERSHEY to the SWISSKISS brand shown.
2. No one (0%) of the Control Group participants (shown the SWISSWISH brand) mistakenly inferred the source of the SWISSWISH to be Hershey.

Q2 + Q3A (ASSOCIATION IN Q2 AND/OR Q3A) — Open-ended questions - Unaided answers* - Multiple answers allowed**

Base: All respondents - Test-group "SWISSKISS"(n=355) & Control-group "SWISSWISH" (n=156)

		TEST-GROUP "SWISSKISS"	CONTROL-GROUP "SWISSWISH"
	n=	355	156
Respondents were shown one brand name in plain text prior to answering Q2 and Q.3A (test or control).	SWISSKISS / SWISS KISS	41%	-
	LINDT	3%	2%
	SWISS (unspecified)	3%	3%
	HERSHEY	3%	-
TEST-GROUP SWISSKISS	SWISSWISS	1%	2%
CONTROL-GROUP SWISSWISH	NESTLE	1%	1%
	SWISSWISH	-	36%

[27] The Bourque SWISSKISS Study concluded that:

1. There is no meaningful statistical evidence (2% spontaneous association and 1% association as the maker) that HERSHEY associated to the SWISSKISS brand shown in the Test Group;

2. Plus or minus the margin of error (1.77%) applicable to this proportion of 3%, this means that total mistaken inference with Hershey would range from 1.23% to 4.77%;
3. Furthermore, the association to Hershey for the Test Group was not statistically different than associations to other brands spontaneously mentioned such as Lindt or Nestle;
4. The awareness of Hershey and its Hershey's Kisses chocolate product remains extremely high (95% in the Test Group and 97% in the Control Group). The fact that only 3% of the Test Group associated SWISSKISS to Hershey further suggests consumers do not to any meaningful extent associate SWISSKISS to Hershey.

(d) *Bradley Affidavit*

[28] The affidavit of John Bradley, sworn on December 4, 2020 [Bradley Affidavit], sets out his own experience in the confectionary industry that began in 1979 in the UK with Cadbury until 1996, when he joined Cadbury Chocolate Canada Inc. while he was part of the Cadbury Schweppes group of companies, eventually being promoted to Senior Vice-President of marketing for Cadbury Chocolate Canada Inc. before leaving the Cadbury organization in November 2003. Since then, he has worked as a marketing consultant, editor, and documentary personality.

[29] Mr. Bradley was retained by PIM to provide an expert opinion of the likelihood of the SWISSKISS chocolate confectionary produced by PIM being mistakenly attributed by consumers to have been manufactured and retailed by Hershey based on its use of the word "kiss" in the name and logo. His opinion is based on the assumption that the SWISSKISS packaging would not feature HERSHEY'S KISSES' iconic attributes or background colour, and

that the SWISSKISS logo illustrated below will be a different typeface, colour, and angle of illustration to that of the HERSHEY'S KISSES logo:



[30] Based on his knowledge and experience in the chocolate confection industry and the assumptions, Mr. Bradley opines that he “expect(s) only a very low percentage of Canadian consumers to assume SWISSKISS had any association with Hershey and/or HERSHEY’S KISSES. I would expect a higher level of association with the well-known Swiss chocolate brands such as Lindt, Tobler and Suchard, but certainly well under 10% of consumers thinking so.”

[31] Mr. Bradley assessed the chocolate confectionary markets, consumer buying behaviour, packaging design and display strategies, the similar branding strategies of Cadbury and Hershey, brand recognition, and the brand designs for HERSHEY’S KISSES and SWISSKISS. After reviewing the materials, Mr. Bradley’s opinion was that only a small number of consumers would confuse the respective HERSHEY’S KISSES and SWISSKISS Design brands based on his own assessment of a side-by-side comparative analysis of the HERSHEY’S KISSES packaging and the SWISSKISS & Design trademark and the marketing materials provided to him:



[32] Mr. Bradley also considered the different Swiss vs. American provenance of the parties' respective chocolates, the differential pricing and quality chocolate offering ("premium" Swiss vs. American chocolate). Mr. Bradley indicates that his opinion was formed before being made aware of the Leger/Corbin research, and claims those results were consistent with his opinion. There was no survey associated with his opinion, only Mr. Bradley's own qualitative analysis. Mr. Bradley concludes by indicating that the methodology used by both Dr. Corbin and Leger is sound and more likely to generate misattribution than would be the case in a live buying situation in-store, as it is asking consumers to apply conscious thought to a question that may well not occur to them in store given the impulse nature of the majority of confectionary purchases.

(e) *Papaconstantinou 1 Affidavit*

[33] The first affidavit from Brianne Papaconstantinou, sworn on November 27, 2020 [Papaconstantinou 1 Affidavit], sets out PIM's point that they were not advised by Hershey that the trademark registrations relied on had been assigned with a stated effective date of December 27, 2018, to Hershey Canada, and this assignment was recorded by the CIPO on March 8, 2019. This assignment was brought to PIM's attention during the Board's oral hearing, where counsel

objected to Hershey's conduct in failing to advise them of the prior assignment and that this omission prejudiced PIM.

(f) *Papaconstantinou 2 Affidavit*

[34] The second affidavit from Brianne Papaconstantinou sworn on June 10, 2023 [Papaconstantinou 2 Affidavit], and only filed with the Court on the morning of this appeal's hearing, serves to introduce certification mark registrations for SUISSE (TMA324971), SWITZERLAND (TMA325072) and SWISS (TMA325071) for "chocolate and products made of chocolate" in the name of CHOCOSUISSE, Association of Swiss Chocolate Manufacturers cooperative [Chocosuisse], that PIM's counsel found while preparing for the hearing.

[35] The applicable test to admit evidence filed at a late stage of a proceeding comes from *Atlantic Engraving Ltd. v. Lapointe Rosenstein*, 2002 FCA 503 [*Atlantic Engraving*], and the Applicant pointed to a recent application of this test in *Havi Global Solutions LLC v IS Container PTE Ltd*, 2020 FC 803 [*Havi*]. This test requires the filing party to satisfy the Court that the following four factors are met:

1. The evidence to be adduced will serve the interests of justice;
2. The evidence will assist the Court;
3. The evidence will not cause substantial or serious prejudice to the other side; and,
4. The evidence was not available prior to the cross-examination of the opponent's affidavits.

(*Atlantic Engraving* at paras 8-9; see also *Havi* at paras 33-42)

[36] In post-hearing written submissions on this point, PIM submits that this evidence will serve the interests of justice because it was not before the Board, it contradicts the Board's findings with respect to SWISS, and it is material. PIM sets out that the SWISS certification mark demonstrates that the SWISS element of PIM's SWISSKISS Trademarks has distinctive value, namely it points to a character or quality of the associated goods, which the Applicant submits contradicts the holding of the Board that SWISS is merely "descriptive of the geographic origin of the SWISSKISS Goods and thus not inherently distinctive" and undermines the Respondent's argument on the same. On this basis, PIM submits that the evidence will serve the interests of justice and assist the Court who will have all relevant evidence available to it. PIM also submits it will not cause substantial prejudice to Hershey because it is documentary evidence that does not involve any cross-examination and that Hershey would have the opportunity to make any submissions on this issue. Finally, PIM submits the evidence was not available prior to cross-examinations because they were not aware of it. Ultimately, PIM submits that this SWISS certification mark evidence is material, and will assist the Court in a *de novo* analysis.

[37] For their part, Hershey conceded at the hearing that they would not be prejudiced. They did, however, oppose the late admission of this affidavit because the evidence was "widely available" to PIM and the public as part of the online public Canadian Trademarks Register Database.

[38] While I agree with Hershey in principle that this evidence was widely available before cross-examinations, I am afforded discretion in weighing the *Atlantic Engravings* factors in

deciding whether or not to allow PIM's request to file this new evidence at this late stage of the proceeding (see *Havi* at paras 34, 51). None of these factors is mandatory, and it is within the Court's discretion to weigh them (see *Havi* at para 52).

[39] Considering this evidence is being offered as *material* evidence, specifically within the context of a TMA section 56 appeal and are related to relevant findings of the Board already under appeal before the Court, I find the interests of justice weigh in favour of admitting this evidence.

[40] Given the nature of the evidence that would not involve any cross-examination and in light of Hershey's concession of a lack of prejudice, I hereby exercise my discretion to accept the Papaconstantinou 2 Affidavit into the record despite its late filing. This is not a determination of materiality though, and I shall address this issue later.

(2) Hershey's New Evidence

[41] On appeal, Hershey filed three new affidavits, two of which are affidavits with expert evidence.

[42] As a preliminary comment, Hershey's position is that PIM's new evidence is inadmissible, immaterial, unhelpful, and unnecessary. Stemming from their position and the necessity of proffering their own evidence to respond to this appeal, Hershey claims they only submitted an affidavit from Alexia Wharton to demonstrate continued use of their KISS and KISSES Trademarks since the Vanslyke Affidavit, and the affidavits of Margaret Brigley and

Dr. Michael Mulvey serve as responses to PIM's additional expert evidence in the Corbin and Bourque Affidavits.

[43] Hershey essentially concedes that their own new evidence is only necessary to consider if PIM's new evidence, in particular the Corbin and Bourque Affidavits, are admissible and material to this appeal. Consequently, if the Corbin and Bourque Affidavits are inadmissible or immaterial to this appeal, this Court additionally does not need to consider the Brigley and Mulvey Affidavits. After reviewing Hershey's new evidence and without at this point determining materiality, the Mulvey and Brigley Affidavits only inform this Court of the deficiencies of the survey evidence included in the Corbin and Bourque Affidavits, with Brigley intending to present a survey that did not suffer the same deficiencies. I agree with Hershey that I would only need to consider their new evidence if the Corbin and Bourque Affidavits are material.

(a) *Wharton Affidavit*

[44] The affidavit of Alexia Wharton, sworn on April 27, 2021 [Wharton Affidavit], sets out information related to Hershey's corporate structure, charts and images of Hershey's relevant marks, additional exhibits to supplement the Vanslyke Affidavit, and various marketing efforts using the KISS mark. Exhibits 3(C), 4(D), 5(D), 6(E), 7(E), 8(G), 12(O), 14(P), and 15(Q) are intended to supplement the corresponding lettered exhibits from the Vanslyke Affidavit.

(b) *Brigley Affidavit*

[45] The Affidavit of Ms. Margaret Brigley, sworn on April 26, 2021 [Brigley Affidavit], includes three exhibits:

- Exhibit A - Curriculum Vitae of Ms. Brigley;
- Exhibit B – Acknowledgment of Expert Duty dated April 23, 2021; and,
- Exhibit C - Full Report of Survey Results dated April 23, 2021, along with Appendices.

[46] Ms. Brigley is the CEO and Partner of Narrative Research Inc. [Narrative Research], a marketing intelligence and public opinion research firm. St. Lawrence Law Firm LLP, on behalf of their client Hershey, retained Ms. Brigley and Narrative Research to implement a modified version of the survey questionnaires used in the Corbin SWISSKISS & Design Study and the Bourque SWISSKISS Study.

[47] The survey was conducted online by way of an Internet-based questionnaire with a total of six hundred and four (604) online Canadian participants who were chocolate purchasers who have purchased from a retail store at least once in the past three (3) months or intend to purchase in the next three (3) months. Four hundred and four (404) were randomly selected English- or French-speaking participants to form the Test Group being shown the SWISSKISS brand completing the survey between March 25 and 29, 2021 and two hundred (200) were Control Group participants being shown the SWISSWISH brand completing the survey between April 14 and 19, 2021.

[48] All 404 participants in both the Test Group and the Control Group answered the same questionnaire, and were asked to identify the company they believe to sell such a brand of chocolate, and then what company sells chocolate products under the KISS brand and finally, what company sells chocolate products under the KISSES brand. The survey's methodology and findings are contained in the Exhibit C - Full Report of Survey Results [Brigley SWISSKISS Study]. The results of the Brigley SWISSKISS Study are:

1. After being asked to identify the company they believe to sell such a brand of chocolate, 10% of Test Group participants that had been shown SWISSKISS answered "Hershey's", while 2% of the Control Group participants that had been shown SWISSWISH answered "Hershey's".
2. After being asked "What company sells chocolate products under the KISS brand, or are you unable to say?", 55% of the Test Group participants answered "Hershey's", while 59% of the Control Group participants answered "Hershey's".
3. After being asked "What company sells chocolate products under the KISSES brand, or are you unable to say?", 65% of the Test Group participants answered "Hershey's", while 70% of the Control Group participants answered "Hershey's".

[49] Based on these results, the Brigley SWISSKISS Study concluded that:

1. There is a 10% spontaneous association between Hershey and the SWISSKISS brand shown in the Test Group, well above unaided associations to other chocolate brands (such as Lindt or Nestle);
2. There is no apparent association to Hershey for the Control Group (i.e., SWISSWISH brand); and,
3. The trademarks KISS and KISSES benefit from a strong association to Hershey.

(c) *Mulvey Affidavit*

(i) Contents of the Mulvey Affidavit

[50] Dr. Michael Mulvey's affidavit, sworn on April 26, 2021 [Mulvey Affidavit], explains that Hershey's counsel retained him to provide his opinion as an expert in consumer behaviour and consumer research. He was instructed to review the affidavits of Dr. Corbin and Mr. Bourque and comment on the methodology used and to provide his opinion on the relevance of survey evidence to the issue of determining the likelihood of confusion between the trademarks. After setting out his own qualifications as the Section Head of Marketing/OB-HR at the University of Ottawa's Telfer School of Management, Dr. Mulvey takes issue with Dr. Corbin and Bourque surveys' product category (i.e., "Swiss chocolate" rather than "chocolate"). He states that, by repeating "Swiss chocolate", the surveys create a priming bias and therefore lead to a false or skewed conclusion, as a reasonable person would not refer to an American chocolate maker after being primed so many times with the word "Swiss". He asserts that neither Dr. Corbin's and Mr. Bourque's survey results are relevant nor valid.

(ii) Necessity of the Mulvey Affidavit

[51] Separate from the issue of whether the Mulvey Affidavit is merely a response to Corbin and Bourque's survey evidence, I must note that I had separately arrived at the conclusions Dr. Mulvey made with respect to priming bias in the survey questions used in the Corbin and Bourque surveys. My familiarity with these types of trademark market research surveys used to assist the decision-maker in trademark matters has made me acutely aware of these issues, and I did not require Dr. Mulvey's expert opinion in order to do so. Hershey concedes that the Mulvey Affidavit only helps to highlight these flaws, and for that reason, I find the Mulvey Affidavit unnecessary in this matter.

III. Analysis

A. *General Legal Principles*

(1) Standard of Review

[52] The Federal Court of Appeal settled the applicable standard of review in this type of application for judicial review made under the statutory appeal provision of section 56 of the TMA in *Clorox Company of Canada, Ltd. v. Chloretec S.E.C.*, 2020 FCA 76 [*Clorox*]. If the new evidence filed by the parties is not material (or no new evidence is adduced), the Federal Court should apply the Supreme Court's jurisprudence on appellate standards of review when dealing with an appeal under subsection 56(1) of the TMA (see *Clorox* at paras 21-23; see also *Miller Thomson LLP v. Hilton Worldwide Holding LLP*, 2020 FCA 134 [*Miller Thomson*] at paras 41-42, as cited in *Tokai of Canada Ltd v. Kingsford Products Company, LLC*, 2021 FC 782 [*Tokai*] at para 22 [*Tokai*]).

[53] Under the Federal Court of Appeal's guidance in *Clorox*, the appellate standards laid out in *Housen v Nikolaisen*, 2002 SCC 33 [*Housen*], are applicable here. For questions of fact and mixed fact and law (except for extricable questions of law), the applicable standard is therefore that of the "palpable and overriding error". For questions of law, the standard is correctness.

[54] "Palpable" means an error that is obvious, and "overriding" means an error that affects the outcome of the case (see *Millennium Pharmaceuticals Inc. v Teva Canada Limited*, 2019 FCA 273 at para 6). Palpable and overriding error is a high threshold (see *Canada (Commissioner of Competition) v Rogers Communications Inc.*, 2023 FCA 16 [*Rogers*] at para 7).

As the Federal Court of Appeal recently stated, the Court must find palpable and overriding error, or an "obvious error" going to the "very core of the outcome of the case", to interfere on factually suffused questions of mixed fact and law (*Rogers* at para 7).

[55] During a TMA section 56 appeal, this Court acts as a court of first instance and considers whether new evidence is material. If it is, the Court “may exercise any discretion vested in the Registrar” and the appeal acts as a *de novo* review (see *Clorox* at paras 20-21, citing TMA s 56(5)). If the new evidence filed is found to be material, it permits the Court to conduct a *de novo* analysis in respect of the specific issues to which the new evidence relates, emulating the correctness standard and according no deference to the conclusions of the underlying decision-maker (*Clorox* at para 21). However, admitting new material evidence does not displace the Registrar's findings in respect of every issue: only those specific issues to which the new evidence speaks warrant a *de novo* analysis by the Court (see *Clorox* at para 21; see also *Seara Alimentos Ltda v Amira Enterprises Inc*, 2019 FCA 63 [*Seara*] at para 22, as cited in *Caterpillar Inc v Puma SE*, 2021 FC 974 [*Caterpillar*] at para 36; *Advance Magazine Publishers, Inc v Banff Lake Louise Tourism Bureau*, 2018 FC 108 at paras 16 and 22).

(2) Materiality of New Evidence

[56] As previously stated, in a TMA section 56 appeal this Court acts as a court of first instance for the purpose of considering whether newly filed evidence is material and therefore attracts a *de novo* review of the issues relevant to that material evidence (see *Clorox* at para 20). In order to be material, new evidence must be filed which is “sufficiently substantial and significant” and of “probative value”; evidence that merely supplements or repeats existing

evidence will not surpass this threshold to trigger a *de novo* review (*Clorox* at para 21; *Scott Paper Limited v Georgia-Pacific Consumer Products LP*, 2010 FC 478 at paras 48-49, as cited in *Caterpillar* at para 33).

[57] Evidence may be "material" where it enhances the overall cogency of the record in a way that may have influenced the Registrar's conclusions on a finding of fact or exercise of discretion (*Seara* at para 24; *Tokai* at para 23) or fills gaps or remedies in a deficiency identified by the Registrar (see for example *Shell Canada Limited v PT Sari Incofood Corporation*, 2008 FCA 279 [*Shell*] at para 12). New evidence may respond to the Registrar's perceived evidentiary deficiencies (see *Mövenpick Holding AG v Exxon Mobil Corporation*, 2011 FC 1397 at para 54, aff'd 2013 FCA 6; see also *Advance Magazine Publishers Inc v Farleyco Marketing Inc*, 2009 FC 153 at paras 93-95, 98, aff'd 2009 FCA 348).

[58] The materiality test is not whether the new evidence would have changed the Registrar's mind or would ultimately change the result or outcome, but rather whether it would have had a material effect on the decision (see *Seara* at paras 23, 25). The question to ask is "could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of discretion of the [Board]" (*Seara* at para 25). Furthermore it is well understood that when additional evidence is filed, the test is "one of quality, not quantity" (*Canadian Council of Professional Engineers v APA - The Engineered Wood Assn*, (2000), 2000 CanLII 15543 (FC), 184 F.T.R. 55 at para 36, as cited in *ITV Technologies Inc v WIC Television Ltd*, 2003 FC 1056 at para 73; *Wrangler Apparel Corp v Timberland Co*, 2005 FC 722 at para 7, as cited in *Clorox* at para 37).

(3) Confusion

[59] Before turning to the Board's Decision and its alleged errors as submitted by PIM, I summarize below the general legal principles, which I have taken substantively from paragraphs 66 through 69 of Justice Furher's judgment in *Tokai*, with the necessary modifications.

[60] Paragraph 12(1)(d) of the TMA provides that a trademark is registrable if it is not confusing with a registered trademark. The material date for assessing confusion under this provision is the date of the decision of the trier of fact. Because I find the parties' new evidence is either inadmissible or immaterial, the applicable relevant date is the date of the Board's Decision, namely, March 27, 2020. This date falls well after June 17, 2019, when significant amendments to the TMA came into force. In my view, the amendments to TMA section 12 have little, if any, impact on the TMA section 12(1)(d) analysis.

[61] Further, section 6(2) of the TMA provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[62] Having regard to the Supreme Court decision in *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 [*Masterpiece*], as well as the Federal Court of Appeal decision in *Reynolds Presto Products Inc v PRS Mediterranean Ltd*, 2013 FCA 119 [*Reynolds*] at paragraph 20, I find an apt articulation of the test to be applied in assessing the likelihood of confusion in this case to be as

follows: as a matter of first impression, would the casual consumer, somewhat in a hurry, who sees a Swiss chocolate bearing PIM's trademarks SWISSKISS or SWISSKISS & Design, when that consumer first encounters the trademarks SWISSKISS or SWISSKISS & Design in the marketplace, and where the consumer has no more than an imperfect recollection of any one of Hershey's trademarks and does not pause to give the matter any detailed consideration or scrutiny, be likely to be confused as to the source of the goods? In other words, would the casual consumer believe the goods associated with SWISSKISS and SWISSKISS & Design, respectively, were authorized, licensed, manufactured or sold by the same person (i.e., by Hershey)?

[63] Section 6(5) of the TMA describes the following specific factors to be considered in the confusion analysis, in the context of "all the surrounding circumstances":

1. the inherent distinctiveness of the trademarks or trade names and the extent to which they have become known;
2. the length of time the trademarks or trade names have been in use;
3. the nature of the goods, services or business;
4. the nature of the trade; and,
5. the degree of resemblance between the trademarks or trade names in appearance or sound or in the ideas suggested by them.

[64] These factors are not exhaustive, and may be weighed differently, in a context-specific assessment; the onus is on PIM in this case to demonstrate no likelihood of confusion on a balance of probabilities (see *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 [*Mattel*] at para 54). The degree of resemblance, however, "is the statutory factor that is often likely to have the greatest effect on the confusion analysis" (*Masterpiece* at para 49). This factor involves a

consideration of the totality of the trademarks, but the “first impression, imperfect recollection” test means that the trademarks must not be assessed side by side.

[65] Although the first element of the trademark often is the most important, for the purposes of distinctiveness, a preferable approach when assessing the degree of resemblance is to consider whether there is an aspect of the trademark that is striking or unique (see *Conde Nast Publications Inc v Union des éditions modernes*, 1979 CarswellNat 785, (1979), 46 CPR (2d) 183 (FCTD) [*Conde Nast*] at para 34 (cited to CarswellNat); see also *Masterpiece* at para 64). The degree of resemblance factor recognizes that trademarks with some differences still may result in likely confusion (see *Masterpiece* at para 62).

[66] The lack of significant difference between the goods also is an important consideration that must be weighed and balanced with the other factors including, most importantly, the resemblance between the marks (see *Reynolds* at paras 17 and 29). That said, there is “a greater likelihood of confusion if two trademarks that resemble each other are used in association with the same products (or substantially the same products)” (*Reynolds* at para 30).

B. *Materiality & Admissibility of Parties’ New Evidence*

[67] I now turn to assess whether the parties’ newly filed evidence is admissible and material, and I will assess each affidavit in the same order as they were outlined in the Background section above. Borrowing from paragraph 25 of *Seara*, the question I ask of each new affidavit is: could this new evidence, because of its significance and probative value, have had a bearing on the Board’s findings of fact or the exercise of their discretion?

(1) PIM's New Evidence

(a) *Rosenberg 2 Affidavit*

[68] While the Rosenberg 2 Affidavit is admissible, I am not satisfied that it is material because it restates evidence that was already before the Board. The record available to the Board already contained assertions on the part of Mr. Rosenberg that he does not intend to commercialize the Applicant's products in association with the SWISSKISS Trademarks in a manner that could increase the likelihood of confusion.

[69] In its Decision, the Board noted that the Rosenberg 1 Affidavit indicated PIM's intention in terms of packaging. However, the Board found his statement carried little, if any, weight in the confusion analysis because the SWISSKISS Trademark, as applied for and once registered, entitled PIM to choose to depict its trademark in whatever font, style or colour it may choose (Decision at para 51; *Cheah v McDonald's Corporation*, 2013 FC 774 at paras 3-4). Similarly, the Board noted the SWISSKISS & Design Trademark Application does not include any form of colour claim, and both the SWISSKISS Trademarks Applications are not circumscribed by any packaging style that might help to reduce the likelihood of confusion.

[70] Even if the Rosenberg 2 Affidavit was over the materiality threshold, the Rosenberg 2 Affidavit is evidence that is not relevant to the matter at hand for two reasons. First, the relevance of an applicant's intent not to cause confusion or association with a registered mark is of little relevance as a surrounding circumstance (see *Mattel* at para 90; see also *Roots Corporation v YM Inc. (Sales)*, 2019 FC 16 at paras 49-51). Second, in opposition proceedings,

the Board must consider the registrability of the applied-for trademarks in isolation with no limitations as to colour and manner of packaging or presentation of the trademarks (as correctly indicated by the Board at paragraphs 51 and 80 of its Decision). The trademark registrations the Applicant seeks to obtain, if obtained, would give PIM an exclusive right to use its SWISSKISS Trademark (word) in any way it wished and the SWISSKISS & Design Trademark in any colour throughout Canada in association with the applied-for goods. As such, the statements in the Rosenberg 2 Affidavit are irrelevant.

(b) *Corbin & Bourque Affidavits*

[71] The survey evidence put forth in both the Corbin Affidavit and Bourque Affidavit, like all expert evidence, must meet the following four conjunctive requirements set out by the Supreme Court of Canada for the Court to find it admissible:

1. Relevance;
2. Necessity in assisting the trier of fact (in the sense that the evidence is outside the experience and knowledge of a judge);
3. The absence of any exclusionary rule; and,
4. A properly qualified expert.
5. (*Masterpiece* at para 75, citing *R v Mohan*, 1994 CanLII 80 (SCC), [1994] 2 SCR 9 [*Mohan*] at 20)

[72] Hershey submits that the Corbin Affidavit and the Bourque Affidavit go against the necessity requirement set out by the Supreme Court in *Masterpiece* in that the survey attempts to simulate misattribution as to the source in relation to food items for general consumption, which is something the decision-maker can easily assess based on his or her experience as a consumer.

[73] However, with regards to the necessity requirement as it relates to surveys, *Masterpiece* commented at para 93:

[93] Surveys, on the other hand, have the potential to provide empirical evidence which **demonstrates consumer reactions in the marketplace — exactly the question that the trial judge is addressing in a confusion case.** This evidence is **not something which would be generally known to a trial judge**, and thus unlike some other expert evidence, it would not run afoul of the second *Mohan* requirement that the evidence be necessary. However, the use of survey evidence should still be applied with caution.

[Our emphasis]

[74] On that basis, I find the Corbin Affidavit and Bourque Affidavit meet the necessity in assisting the trier of fact requirement, as they have the potential to provide empirical evidence on consumer reactions to questions asked when shown the mark in question as compared to a mark used as a control. I also find that Dr. Corbin and Mr. Bourque are properly qualified experts in survey market research and analytics such that this other *Mohan* requirement is met.

[75] In my view, however, there are both validity and reliability issues with the Corbin and Bourque surveys impacting the *Mohan* relevance requirement, which renders them inadmissible or at the very least makes it such that they do not provide evidence of “probative value” to such a degree that it would have impacted the Board’s analysis.

[76] Relevance in survey evidence (the extent to which the survey offers probative evidence on an issue to a party’s claim), as described by the Supreme Court in *Mattel*, includes the following requirements:

1. Validity - the survey must be valid (in that the right questions were put to the right pool of survey participants in the right way and in the right circumstances to produce the evidence sought); and,
2. Reliability – the survey must be reliable (in that if it were repeated to a different sample in the pertinent population on a different occasion, it would produce the same results).

(*Masterpiece* at para 94, citing *Mattel* at para 45)

[77] I also have one related but fundamental issue with the Corbin and Bourque online survey evidence undermining the *Mohan* absence of any exclusionary rule requirement, which renders them inadmissible or at the very least makes it such that they do not provide evidence of “probative value” to such a degree that they would have impacted the Board’s analysis. I will analyze these issues separately.

(i) Validity

[78] In my view, the Corbin and Bourque Internet-based surveys have the following validity issues:

1. “The right questions” were not put to the survey participants - the questions are flawed in that they systematically and repeatedly included mention of “Swiss chocolate” to create a priming bias in the results;
2. The questions were not put to the participants “in the right way” - the Internet-based online survey format does not offer the necessary assurances justifying this survey evidence’s acceptance because it does not involve the expert or another mandated person in the loop that can attest to the participant from the online panel actually being the one who filled out the survey or that can provide even a video recording of the participant filling out the survey; and,
3. The questions were not put “in the right circumstances” to participants – the online survey’s design was flawed in such a way that Dr. Corbin was unaware that participants could simply click the “back button” and had no idea the effect of that click would have or its impact on the survey’s results.

“The right questions”

[79] After careful review of the survey screener and questionnaire, which are common to both the Corbin and Bourque surveys, I agree with the Respondent (and its expert, Dr. Mulvey) that the right questions were not put to the survey participants rendering the survey design and its results invalid. “Swiss chocolate” was mentioned to survey participants at least seven or eight times in the survey questions. “Swiss chocolate” was in the screening questions (that ensure the recruitment of the universe of participants) three or four times (depending on their answers). “Swiss chocolate” was again in each of the four key questions in the questionnaire, so potentially up to another four times as part of the questionnaire (depending on the answers and flow through the screener and questionnaire). In order to get a better sense of the questions put to the survey participants, the screener questions (S#) and the questions (Q#) in the questionnaire used in the Corbin SWISSKISS & Design Study are reproduced below:

S8A. Have you, or have you not, purchased any of the following products from a retail store at least once in the past 3 months... c. Swiss Chocolate?

S9A. Do you intend to purchase any of the following products in the next 3 months, or not?

Q1. The remainder of this survey pertains to Swiss chocolate. You are about to be shown a logo used by a company to sell its Swiss chocolate products, and then asked some questions.

Q2. Please specify, what, if anything, you know about Swiss chocolate products using the logo you were just shown.

Q3A. What company puts out its Swiss chocolate using the logo you were just shown, or can you not say?

Q3B. You answered the name of a company that puts out Swiss chocolate using the logo you were just shown [POPULATE ANSWER TO Q3A-1]. What about the logo, in particular, makes you say that company?

[80] It may have been open for the survey screener to have mentioned “Swiss chocolate” a number of times (even 3 or 4 times) in order to screen for the survey population that PIM wished to obtain: Swiss chocolate purchasers as covered by the goods in its Applications. However, it is difficult to justify the need for “Swiss chocolate” in each of the key questions of the survey, especially when:

1. the screener questions already had a number of such references in a number of the screener questions,
2. the SWISSKISS & Design logo shown to the participant included the words “FINEST SWISS CHOCOLATES”, and,
3. Hershey is not a maker of Swiss chocolate.

[81] I agree with Hershey’s counsel that the systematic and repeated inclusion of “Swiss chocolate” in each of the survey questions would result in the participants being primed into thinking of brands of Swiss chocolates and providing responses that relate only to Swiss chocolate brands or companies. On cross-examination, Dr. Corbin was hard-pressed not to admit that participants would be unlikely to give answers about chocolate manufacturers that are not of Swiss origin given both the questions mentioned “Swiss chocolate” and the SWISSKISS & Design logo shown included reference to “Finest Swiss chocolates”.

[82] This systematic and repeated inclusion of “Swiss chocolate” in each of the survey questions would result in participants ignoring other non-Swiss chocolate manufacturers and/or not providing responses with brands/manufacturers of chocolates from other countries that may have come to mind, which would likely have brought down the number of answers for Hershey. From one of the verbatims of a participant from the Corbin SWISSKISS & Design Study, one can discern the hesitation or questioning of their answer, “Hershey?? Not Swiss though”. While

this participant answered Hershey, how many other participants had Hershey or HERSHEY'S KISSES in mind, but did not give the same answer because they know Hershey is not a Swiss manufacturer? We will never know.

[83] Also, the wording of question Q1 "The remainder of this survey pertains to Swiss chocolate. You are about to be shown a logo used by a company to sell its Swiss chocolate products, and then asked some questions." seems inappropriate given that the Applications for the SWISSKISS & Design and SWISSKISS Trademarks are based on proposed use and the evidence is that the SWISSKISS & Design and SWISSKISS Trademarks have not been used in Canada.

[84] In my view, the questions were also not put "in the right way and in the right circumstances" to participants.

Questions put "in the right circumstances"

[85] It is not clear that the online survey design accurately simulated the imperfect recollection of a trademark of a casual consumer in a hurry. Unlike an in-person survey where participants are shown a particular trademark or get-up in the presence of the expert or its mandated interviewer who can attest to the person looking for a certain amount of time and then the mark or get up is permanently removed from view by the expert or interviewer, the Corbin SWISSKISS & Design Study cannot attest to this.

[86] While the programming of the Corbin and Bourque online surveys indicated the mark would be shown for up to 8 seconds and then removed from view, in cross-examination (at questions 329 to 339), Dr. Corbin explained that the real online survey could make use of the typical “back button” in Internet browsers, which was not available in the beta test they tried. She was unsure whether participants could simply click “back” and see the image again because she had not tried it. Such a simple and direct error undermines the entire point Dr. Corbin was trying to make with her survey. If an online survey intended to evaluate the imperfect recollection of a trademark of a casual consumer somewhat in a hurry is flawed in a way that a simple click of the “back button” returns the consumer to the marks being evaluated, it is no longer testing their imperfect recollection of the mark shown, nor are the consumers somewhat in a hurry as the legal test requires.

Questions put “in the right way”

[87] In her report, Dr. Corbin indicates “online interviewing (...) was the method of administration for the survey”, which is not necessarily an interview conducted over the Internet. The fact that Dr. Corbin indicated in her report that “[i]n order to qualify, prospective participants were required to confirm (...) they were the person to whom the invitation was addressed, and they themselves would complete the survey” does not, in my view, ensure that this was indeed the case with the online Internet-based survey. Unlike an in-person (face-to-face) survey where participants are in front of an expert and/or its mandated and trained interviewer(s) who can attest to the survey being conducted in a certain manner and to the responses received from the participants to the survey questions, the online Internet-based surveys from the national panels cannot similarly attest thereto. For example, the expert and/or interviewer in an in-person

survey can attest to the survey participant being whom the participants claim to be; not another person who is filling out the online survey for the person registered as part of the given Internet panel, for example, a teenager standing in for a parent in order to obtain the incentive reward for completing the survey.

[88] In an in-person survey, the expert and/or its mandated and trained interviewer can also help ensure that the person is answering the particular questions without the consultation of any other device (like a cellular phone that many people carry around with them everywhere they go). Dr. Corbin indicated in her report that “[i]n order to qualify, prospective participants were required to confirm (...) to not consult any other source of information when completing the survey” and instructed participants that “the survey must be completed in one sitting on either a desktop computer, laptop or tablet (but not a smartphone)”. However, in my view, this does not ensure that this was indeed the case. The online survey design format, which does not involve a person in the loop or even a video recording of the participant filling out the survey, does not offer the necessary assurances justifying this survey evidence’s acceptance.

(ii) Reliability

[89] In my view, the Corbin and Bourque surveys also suffer from reliability issues related to the Internet-based online panel survey methodology used:

1. For the reasons mentioned above regarding the survey’s design flaws undermining its validity, it is similarly unclear whether the surveys would produce the same results in the event that they were repeated as in-person surveys; and,
2. It is also unclear whether the survey results would accurately reflect the level of confusion in the actual Canadian Swiss-chocolate consuming population.

[90] Without repeating the validity reasons above, the flaws in this online survey's design have called into question whether the same results would be reproduced in a subsequent survey. There are too many unknown and uncontrolled variables to consider the survey reliable.

[91] In addition, Dr. Corbin indicated in her report that "[o]nline panel surveys cannot be statistically generalized to the broad population of Swiss chocolate producers because they consist only of those who volunteer to be part of an online panel". During cross-examination, Dr. Corbin confirmed that she did not know whether the survey results could be generalized to the entire relevant population. This admission, combined with there being no actual interviewer to attest to the participants' demographics in order to qualify for the survey, calls into question whether the results of the survey are reliable.

[92] Survey evidence is considered "valid" if the "right questions have been put to the right pool of respondents in the right way, in the right circumstances to provide the information sought"; it is considered "reliable" if the survey would likely produce the same results in the event that it was repeated (*Masterpiece* at para 94). As explained above, these particular Internet-based online surveys fall short of these criteria and, in my view, do not satisfy the *Mohan* relevance criteria.

(iii) Fundamental issue

[93] As mentioned earlier, I have identified one related but fundamental issue to the expert nature of the online survey evidence put forth by the experts Dr. Corbin and Mr. Bourque that undermine the *Mohan* absence of any exclusionary rule requirement.

[94] As was pointed out in *Sun Life Assurance Co. of Canada v. Sunlife Juice Ltd*, 1988 CarswellOnt 926, [1988] OJ No 1114 [*Sun Life*] (cited to CarswellOnt), historically the Courts began accepting the admissibility of consumer surveys into evidence:

To attempt to make such a determination without regard to evidence of what others may think or have said would to my mind be nothing more than an exercise in pure judicial fantasy and of not much assistance at all. I am satisfied that the survey evidence led before me was most satisfactory, **having been conducted by persons very highly skilled in the field.**

Factual matters must be determined on the evidence and the only evidence before me was **of a professionally conducted survey by experts in their field** which was of greater assistance to the court than to proceed in the archaic fashion of parading a number of random witnesses before the court **to perform precisely the same function as did the surveyor.** The survey was far more efficient and beneficial to the court. In my view it is very cogent evidence.

(*Sun Life* at paras 21-22, our emphasis).

[95] The expert having conducted a consumer survey being an exception to the hearsay rule is described at paragraph 43 of *Mattel*:

Until comparatively recently, evidence of public opinion polls were routinely held to be inadmissible because it purports to answer the factual component of the very issue before the Board or Court (i.e., the likelihood of confusion), and in its nature **consists of an aggregate of the hearsay opinions of the people surveyed who are not made available for cross-examination**, see, e.g., *Building Products Ltd. v. BP Canada Ltd.* (1961), 36 CPR 121 (Ex. Ct.); *Paulin Chambers Co. v. Rowntree Co.* (1966), 51 CPR 153 (Ex. Ct.). The more recent practice is to admit evidence of a survey of public opinion, **presented through a qualified expert, provided** its findings are relevant to the issues and **the survey was properly designed and conducted** in an impartial manner.

[Our emphasis]

[96] I mentioned above a series of design flaws in the subject online survey evidence. In my view, the nature of the above-mentioned design flaws creates an issue in that the survey of the participants' opinions were not professionally conducted by the experts. Neither the experts, nor any mandated interviewers under the expert's guidance and control, are able to attest that the participants who filled out the surveys online are indeed who the experts claim them to be, or that the responses given are indeed their responses under the exact specifications recommended in the surveys' preambles.

[97] At its core, the online Internet-based panel survey designed by Dr. Corbin and administered by herself and Mr. Bourque through the online Internet-based panel is fundamentally flawed in that they cannot assure the Court that:

1. Its participants are the consumers in question and that the responses were given by the participants themselves (rather than another person (e.g., their child) filling out the survey for the registered panel member in order to obtain the honorarium); and,
2. The participants were free of external influence and external information.

[98] This is not to say this issue is pervasive in all online consumer market surveys who may have a person-in-the-loop or video recording ensuring the participants filling out the survey that can be viewed by the expert and offered up by the expert to the Court as its attestation of the "hearsay opinions of the people surveyed who are not made available for cross-examination" (*Mattel*, at para 43). However, it is important to recall that the admissibility of survey evidence at issue in *Mattel* and later discussed in *Masterpiece* was within the context of in-person surveys where the experts and their affiliated interviewers (1) could ensure the identity of study participants was unquestioned and (2) could control the survey environment and testing

parameters. It is much easier to verify someone is within the intended demographic of the study when you can see them and vet their identity live. These forms of in-person face-to-face surveys have since become a hallmark of trademark-related litigation in Canada.

[99] Courts have been willing to admit and consider expert opinions on consumer market survey results “provided its findings are relevant to the issues ***and the survey was properly designed and conducted***” (*Mattel* at para 43). A survey must provide the necessary assurances that the verified participants:

1. personally provided the responses attributed to them; and,
2. provided their responses in a controlled environment, being an environment where the expert or affiliated interviewer has ensured the participant is free from external influences and does not have access to external information during the evaluation.

[100] In my view, an expert opinion of a survey that goes without such assurances would be so deficient in its design and conduct that it undermines the trust that a Court is willing to put in the opinion of the expert proffering the report on “the aggregate of the hearsay opinions of the people surveyed”. The expert cannot provide the necessary assurances regarding the people surveyed as per the third *Mohan* requirement of the absence of any exclusionary rule (hearsay).

[101] I must heed the warning of the Supreme Court in *Masterpiece* that indicated at para 93: “However the use of survey evidence should still be applied with caution.”

(iv) Conclusion on Corbin & Bourque

[102] For these reasons, both the Corbin Affidavit and the Bourque Affidavit are inadmissible, and therefore immaterial.

(c) *Bradley Affidavit*

[103] While Mr. Bradley's evidence was offered as an expert marketing opinion, he confessed during cross-examination that he does not know the legal test for confusion in Canada. Despite his acknowledged lack of knowledge in this field, Mr. Bradley claims that he expects "only a very low percentage of Canadian consumers to assume SWISSKISS had any association with Hershey and/or Hershey's Kisses." He also explained that this bald expectation was based on his own assumptions that the SWISSKISS packaging would not feature Hershey's KISSES' iconic attributes or background colour, and that the SWISSKISS logo will be a different typeface, colour, and angle of illustration to that of the Hershey's Kisses logo.

[104] It is clear from his affidavit that Mr. Bradley has taken into account several considerations that are irrelevant to the legal test to be applied in the context of this trademark opposition proceeding, such as the shape of the product and colour of the marks and the way SWISSKISS would probably be commercialized. PIM is not restrained to certain packaging designs, colour schemes, or other packaging traits if the SWISSKISS Trademarks are granted. It is also worth mentioning that Mr. Bradley's analysis only pertains to the SWISSKISS & Design Mark, and no consideration seems to have been given to the more permissive use that would be afforded for a trademark registration for the SWISSKISS word mark. Some of the assumptions

made by Mr. Bradley regarding product features have even been contradicted by Mr. Rosenberg, who notably indicated that PIM could potentially use the colour brown and a foil wrapper for its SWISSKISS product. Further, Mr. Bradley's side-by-side analysis of the design of the marks is not helpful because it is not the appropriate test (see *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20, citing *Benson & Hedges (Canada) Limited v. St. Regis Tobacco Corporation*, 1968 CanLII 1 (SCC), [1969] S.C.R. 192, at 202).

[105] I agree with Hershey that the Bradley Affidavit is an attempt to usurp the Board and Court's role (see *Masterpiece* at para 76) in making determinations on the likelihood of confusion by the relevant consumers through the testimony of a person who, by his testimony and admission, does not know the legal test for trademark confusion in Canada. While Mr. Bradley's many years as a marketing executive in the confectionary industry may make him an expert in that field, I find that the Bradley Affidavit and its contents are entirely unhelpful to the test to be applied in assessing the likelihood of consumer confusion (see para 62 above), immaterial, and inadmissible.

(d) *Papaconstantinou 1 Affidavit*

[106] PIM has not provided any explanation as to the materiality of Ms. Papaconstantinou's first affidavit, and it appears to have been an effort to set up a potential argument that PIM was prejudiced by Hershey failing to advise of their marks' assignment. However, this argument was not followed through on appeal. The Papaconstantinou 1 Affidavit is not material.

(e) *Papaconstantinou 2 Affidavit*

[107] The Papaconstantinou 2 Affidavit serves to introduce the fact that the word mark “SWISS” as it relates to chocolate is a certification mark owned by Chocosuisse. PIM appears to offer this as evidence that, since the word SWISS as it relates to chocolate is a certification mark, the word SWISS must itself be both distinctive and the most striking element of its SWISSKISS mark.

[108] The Board found at various points (and which PIM takes various issues with) that PIM’s use of the word SWISS in their SWISSKISS marks is neither distinctive nor the most striking element specifically because the word SWISS “is descriptive of the geographic origin of the Goods.”

[109] The threshold of materiality is not whether the new evidence would *change* the outcome of the Decision, but rather could this evidence have had a bearing on a finding of fact or the exercise of discretion by the Board? For the reasons explained in the analysis below, these descriptive certification marks would have had a bearing on the Board’s findings of fact related to the interpretation of the word SWISS. The evidence engages sections of the TMA not considered by the Board, and introduces a new dynamic to the assessment of how the word SWISS is analyzed as part of the SWISSKISS Trademarks in this trademark opposition matter under appeal. For these reasons, the Papaconstantinou 2 Affidavit is material.

(2) Hershey's New Evidence

(a) *Wharton Affidavit*

[110] Hershey gave no argument to persuade the Court that the Wharton Affidavit, which only contains evidence of continued use of its KISSES and KISS Trademarks in Canada since the filing of the Vanslyke Affidavit, is material. To the contrary, Hershey conceded that their new evidence would be immaterial and need not be considered if PIM's new evidence was similarly immaterial. Accordingly, I am not satisfied that the Wharton Affidavit is sufficiently significant and probative that it would have affected the Board's Decision materially.

(b) *Brigley Affidavit*

[111] At the outset, I will say that Hershey made clear that the survey evidence contained within the Brigley Affidavit was only filed in response to the Corbin and Bourque Affidavits and conducted the same online survey with the general same design, but without the issue of priming bias that tainted Corbin and Bourque's questions. Hershey was clear that this evidence would only need to be considered if the Corbin and Bourque Affidavits were found admissible and material. Since they were not, it is fair to say on Hershey's concession that the Brigley Affidavit is unnecessary and similarly immaterial.

[112] Given that the Brigley SWISSKISS Survey Study was conducted as an Internet-based online survey using a similar panel, it suffers from the same validity and reliability issues associated to the Corbin and Bourque survey studies as elaborated above, except for the back button and priming question issues (see below). By virtue of replicating the survey outlined in

the Corbin and Bourque Affidavits, the online Brigley survey suffers the same design deficiencies such that Ms. Brigley cannot provide the necessary assurances regarding the people surveyed as per the third *Mohan* requirement of the absence of any exclusionary rule (hearsay) rising to the level of inadmissibility.

[113] In the event that it is later found that I am wrong that the Corbin, Bourque and Brigley Affidavits are neither admissible nor material, I will consider the other merits of the Brigley SWISSKISS Survey Study introduced through the Brigley Affidavit. For the same reasons as the Corbin and Bourque Affidavits, I find the Brigley Affidavit meets the necessity in assisting the trier of fact requirement. I also find Ms. Brigley is a properly qualified expert in survey market research and analytics.

[114] Aside from the problematic design of the survey's online format without the above-mentioned design parameters, I find that generally the right questions were put to the survey participants in the Brigley SWISSKISS Survey Study that Hershey chose to survey, namely chocolate purchasers.

[115] PIM's counsel correctly pointed out to the Court that Ms. Brigley did not subtract what she thought was the Control Group from the Test Group, which would have resulted in net confusion of 8%, rather than the 10% confusion she concluded in her report. If, for argument's sake, the Court is to agree with PIM's counsel that Ms. Brigley did not correctly calculate the percentages of the Test Group participants (it was 9.1%, not 10%) and the Control Group participants (it was 3%, not 2%) who cited Hershey as the source of the trademarks. As a result

of using the percentages that PIM's counsel agrees are correct, there would be a net 6.1% of Ms. Brigley's survey participants who were chocolate consumers that associated the SWISSKISS word mark with Hershey.

[116] PIM's counsel submits that "only 6.1 % of Hershey's survey participants associated the SWISSKISS word mark with Hershey, showing there is no likelihood of confusion", and that the Corbin and Bourque surveys show a net level of confusion within Swiss chocolate consumers at 2% and 3% respectively, are "well below the 10% threshold discussed in the jurisprudence":

60. That threshold has been established by many cases in both the U.S. and Canada. In the 2022 update to *Trademarks and Unfair Competition*, J. Thomas McCarthy observes that "when the percentage results of a confusion survey dip below 10%, they can become evidence which will indicate that confusion is not likely."⁸³ As earlier editions of this treatise have been cited by approval by this Court,⁸⁴ PIM Brands' submits it may assist the Court in assessing the results of the parties' respective survey evidence.

⁸³ McCarthy, J Thomas, "Trade Marks and Unfair Competition" at 32:189, "Likelihood of confusion-Percentage figures in the cases – Evidence of no likelihood of confusion", p. 32-584-32-585, BOA, Tab 10

[117] Hershey's counsel submits that the thresholds of 10% or 15% to which the Applicant and its experts refer originates from jurisprudence in the United States, and to their knowledge, has never been referred to in court decisions in Canada (except perhaps in *New Balance* at para 21, where the Opposition Board concluded that 11% supports a finding that there is a likelihood of confusion). Moreover, Hershey's counsel submits that PIM cites no court decision in Canada in which it would have been held that a low percentage of confusion in a survey would support a finding that there is no likelihood of confusion as has been submitted by PIM's counsel. Indeed, Hershey's counsel submits that the Federal Court in *Diageo Canada Inc. v. Heaven Hill*

Distilleries, Inc., 2017 FC 571 [*Diageo*] held the level of confusion that Courts have considered sufficient to establish a likelihood of confusion varies widely (anywhere from 4.8% to 13.5%) (*Diageo* at para 94, citing *Triple Five Corporation v. Walt Disney Productions*, 1994 ABCA 120 [*Triple Five Corporation*] at para 44; 11% in *New Balance Athletic Shoes, Inc v Matthews*, 1992 CanLII 7013 (CA TMOB) at para 21; and 13.5% in *Kirkbi AG v. Ritvik Holdings Inc.*, 2002 FCT 585 at para 128, aff'd without discussion of this issue, 2003 FCA 297, aff'd 2005 SCC 65). In light of this Canadian jurisprudence, there is no need to reach to jurisprudence south of the border and in any event, I am not bound by those courts' rulings.

[118] Even if one accepts the percentages that PIM argues are correct, there would be a net 6.1% of Ms. Brigley's survey participants that associated the SWISSKISS word mark with Hershey, which is not insignificant and which falls within the lower range of the rate of confusion Canadian Courts have previously found to be sufficient to establish a likelihood of confusion (*Diageo* at para 94, citing 4.8% to 8.2% in *Triple Five Corporation*). It bears considering, however, that Ms. Brigley mentioned in cross-examination that no accounting was made for a margin of error in her calculations because, in accordance with her industry standards, the margin of error cannot be applied to online research. Had this been the confusion results of a valid and reliable in-person survey, I would have been hard-pressed to ignore such net confusion findings, which would have served to confirm the Board's Decision on the likelihood of confusion.

[119] It must also be noted that Ms. Brigley's final questions in the Brigley SWISSKISS Survey Study asked participants the following questions related to the distinctiveness of Hershey's Trademarks:

- a. What company sells chocolate products under the "KISS" brand, or are you unable to say?
- b. What company sells chocolate products under the "KISSES" brand, or are you unable to say?

[120] To the first of these questions, 55% of the test group and 59% of the control group answered "Hershey's". Similarly, 65% of the test group and 70% of the control group responded to the second question with "Hershey's". This evidence speaks directly to the distinctiveness that Hershey has acquired with the KISS and KISSES Trademarks, which is despite the generic nature of the word "kiss" in the context of candy generally, meaning a small piece of candy.

(c) *Mulvey Affidavit*

[121] As with the Wharton and Brigley Affidavits, but specifically the Brigley Affidavit, Hershey made clear that the Mulvey Affidavit would only be material and need consideration if the Corbin and Bourque Affidavits were admissible and material. Since they were not, so to goes the Mulvey Affidavit.

[122] Separate from the materiality of the Corbin and Bourque Affidavits, I alluded earlier that I did not require the Mulvey Affidavit to be alive to the flaws in their survey evidence. The

Mulvey Affidavit is unnecessary in this matter because it does nothing but reinforce what I already know. As a result, regardless of the admissibility and materiality of Corbin and Bourque's Affidavits, the Mulvey Affidavit is not necessary and offers little to no probative value.

(3) Conclusion on Materiality

[123] In light of the above, the Court mostly agrees with Hershey that most of PIM's new evidence is inadmissible and adds nothing of significance to the record and that the new evidence would not have affected the Board's decision in any material way. First, neither the Corbin Affidavit, the Bourque Affidavit, nor the Bradley Affidavit are admissible, significant or of probative value. As for the Rosenberg 2 Affidavit, it does not surpass the threshold to be considered material as it does little more than repeat evidence previously available to the Board. Regarding the Papaconstantinou 1 Affidavit, PIM failed to make any submissions on its materiality and it is impossible without any other evidence or submissions to see how Hershey's trademark assignments would have had any impact on the Decision.

[124] The Papaconstantinou 2 Affidavit, regardless of whether the Board was specifically alive to the issue of certification marks for the word SWISS, is material with respect to the interpretation of the word SWISS as part of the applied-for SWISSKISS Trademarks as it relates to chocolate of Swiss origin. While the Board was already alive to this issue generally, the existence of these certification marks would have had a bearing on the Board's interpretation of the word SWISS. As such, the evidence contained in the Papaconstantinou 2 Affidavit is material

and attracts a *de novo* review of the issue of the interpretation of the word SWISS within PIM's SWISSKISS Trademarks as it relates to chocolate of Swiss origin.

C. *Errors of the Board as Alleged by PIM*

(1) Clarifying the Alleged Errors and Applicable Standard of Review

(a) *Clarifying the Alleged Errors*

[125] Hershey submits that the grounds of appeal at paragraphs 13(b), 13(d) and 13(e) were not substantively addressed by PIM in its Written Representations and should not be considered by the Court, especially given the lack of relevant case law in PIM's book of authorities (citing *Sibomana v Canada*, 2020 FCA 57 at para 6; *Rouleau-Halpin v Bell Solutions Techniques Inc*, 2021 FC 177 at paras 33-34; *Singh v Canada (Attorney General)*, 2022 FC 302 at paras 21-22, 26).

[126] On review, these cases address a court's ability to not entertain arguments that were not raised at all in a memorandum of argument but were brought up at the hearing. While I agree that PIM could certainly have made their submissions with respect to each alleged error clearer, considering their arguments appear to follow the structure of the Decision as opposed to a logical order of errors, I do find that the grounds of appeal at paragraphs 13(b), 13(d) and 13(e) of PIM's Notice of Application were substantively addressed in their memorandum of argument (even if they were lumped in with several other alleged errors).

[127] It must also be noted that the alleged error in paragraph 13(l) appears to simply be a conclusion of the previous eight alleged errors, adding up to the allegation that the Board erred generally in upholding Hershey's section 12(1)(d) and 16(3)(a) grounds of opposition, which is not an error but a conclusion asserted by PIM. There were no specific submissions on this point, and the Court could not identify any submissions, evidence, or aspects of the Decision that would suggest 13(l) is a specific and separate alleged error. As such, the Court will not separately analyze alleged error 13(l).

(b) *Applicable Standard of Review*

[128] Hershey also submits, and the Court agrees, that the errors raised in the grounds of appeal at paragraphs 13(a), 13(b), 13(c), 13(e), 13(f), 13(g), 13(j), and 13(l) are not errors of law and should properly be qualified as errors involving questions of fact or questions of mixed fact and law. These grounds of appeal clearly involve an assessment of the evidence and consideration of the particular circumstances of the case. The only error that Hershey submitted could arguably be qualified as an error of law and thus reviewable through a standard of correctness is the error raised in the ground of appeal at paragraph 13(d). However, the Board's rationale for treating SWISS and KISS as two words in one word mark was grounded in the evidence before them, not law, and so this issue is also reviewable on the standard of palpable and overriding error.

[129] Aside from the Papaconstantinou 2 Affidavit, I have found the parties' new evidence on appeal either inadmissible and/or immaterial. Given in my view there are no extricable questions of law in issue, the applicable standard of review on the balance of the alleged errors and their components is palpable and overriding error, as per the appellate standard set out in *Housen*. As

mentioned in *Clorox* at paragraph 38, this is “an even more deferential standard of review than the standard of reasonableness”. Justice Stratas recently explained the standard in *Rogers* at paragraph 7:

On the first matter—legal points—we do not defer to the Competition Tribunal: if it is wrong, we can interfere. But on **factually suffused questions of mixed fact and law, we defer to the Tribunal, in fact quite significantly**. To interfere on factually suffused questions of mixed fact and law, we must find palpable and overriding error or an “**obvious error**” going to the “**very core of the outcome of the case**”. This is a high threshold. **It is “not enough to pull at leaves and branches and leave the tree standing”. Rather, “[t]he entire tree must fall”**. See *Canada v. South Yukon Forest Corporation*, 2012 FCA 165, 4 B.L.R. (5th) 31 at para. 46, adopted by the Supreme Court in *Benhaim v. St-Germain*, 2016 SCC 48, [2016] 2 S.C.R. 352 at paras. 37-38; see also *Mahjoub v. Canada (Citizenship and Immigration)*, 2017 FCA 157, [2018] 2 F.C.R. 344.

[Our emphasis]

[130] The Papaconstantinou 2 Affidavit was found to be material, but that does not attract a *de novo* analysis for all the alleged errors in this matter. The content of the Papaconstantinou 2 Affidavit related exclusively to Chocosuisse’s certification marks, which were offered to supplement the evidence exclusively related to whether the word SWISS was capable of distinguishing PIM’s chocolates of Swiss origin and the most striking element of the SWISSKISS Trademarks and therefore precludes alleged confusion with the HERSHEY’S KISSES Trademarks, including the KISS Trademark. Given this confined scope, I will conduct a *de novo* analysis only on the alleged errors as they relate to the interpretation of the word SWISS as descriptive of the geographic origin of PIM’s chocolates of Swiss origin, being one component of alleged errors D, F, and J.

[131] Other than the *de novo* analysis of the interpretation of the word SWISS as descriptive of the geographic origin of PIM's chocolates of Swiss origin, being one component of alleged errors D, F, and J, the remainder of this matter is reviewable on the standard of palpable and overriding error.

(2) Explaining the Structure of this Analysis

[132] While the Applicant threw several errors at the proverbial wall, they did not specifically convey which parts of the Decision are related to each error they allege. This has left the Court in a position of trying to do the Applicant's job for them, taking a considerable amount of time and effort to deconstruct their written and oral submissions to be certain. After undergoing this exercise, the Court is certain that the Applicant has framed all the alleged errors as issues with the same five sections of the Decision.

[133] For the sake of readability, and in the interest of demonstrating a logical and intelligible analysis of the issues, the analysis of the alleged errors shall take on the structure hereafter described and the alleged errors will be referred to by the capital letters used in PIM's Notice of Application as grounds of appeal in the subparagraphs of paragraph 13:

1. Alleged errors related to Hershey's KISS and KISSES Trademarks:
 - a. Alleged error A as it relates to paragraphs 59-60 of the Decision;
 - b. Alleged error B as it relates to paragraphs 64 and 83 of the Decision;
 - c. Alleged error C as it relates to paragraphs 42-47 of the Decision;
 - d. Alleged error G as it relates to paragraphs 42-46 and 71-76 of the Decision;
2. Alleged errors related to PIM's SWISSKISS Trademarks:
 - a. Alleged error D as it relates to paragraphs 61-62 and 72-76 of the Decision;

- b. Alleged error F as it relates to paragraphs 61 and 72-74 of the Decision;
 - c. Alleged error J as it relates to paragraphs 61 and 73-75 of the Decision;
 - and,
3. Alleged error E related to PIM's SWISSKISS & Design Trademark as it relates to paragraphs 62 and 75 of the Decision.

[134] While this may be an unorthodox structure to analyze alleged errors on appeal of a Trademark Opposition Board decision, the Applicant's poor framing of the issues and their subsequent deficiency in failing to link the errors to specific parts of the Decision where the alleged errors were made warrant an unorthodox structure. Nevertheless, every alleged error still at issue shall be specifically addressed, but in groups of like issues to avoid duplication and ensure the most efficient use of judicial resources.

(3) Alleged Errors related to Hershey's KISS and KISSES Trademarks – A, B, C, G

[135] It is important to remark here that this is an appeal of a confusion finding stemming from Hershey's opposition to PIM's application to register the SWISSKISS Trademarks. This is not an expungement proceeding of Hershey's own registrations for the KISS and KISSES trademarks. These alleged errors are findings of fact that PIM asks this Court to replace with different findings of fact in their favour. PIM's sought-after version of these findings of fact support their allegation that the Board erred in finding PIM's SWISSKISS trademarks are confusing with Hershey's trademarks and are therefore unregistrable.

[136] With that caveat in mind, there are really two issues that PIM has spread out into four alleged errors. Those issues are:

1. The Board's findings related to Hershey's use of the KISS and KISSES Marks (alleged errors A and B); and,

2. Hershey's use of KISS even though the word "Kiss" is a generic or descriptive term for a small piece of candy (alleged errors C and G).

[137] I will address each of these issues in turn.

(a) *Use of KISS and KISSES Marks*

[138] PIM alleges in error A that the Board erred in disregarding Hershey's use of their HERSHEY'S and KISS or KISSES Trademarks together, and PIM alleges in error B that Hershey's use of KISS and KISSES in association with HERSHEY'S over time should suggest that HERSHEY'S takes away from the distinctiveness of KISS and KISSES when used together.

[139] At the outset, PIM concedes that the length of time the trademarks have been in use favours Hershey. PIM has not yet launched its SWISSKISS product line in Canada, both PIM and Hershey are likely to sell their respective products via similar retailers (nature of the trade), and maybe even in the same aisles. PIM failed to provide any logical link to how Hershey's use of their marks together over time, on their own, amounts to an error, and so alleged error B must fail. PIM's only focus in their submission, both written and oral, was attempting to undermine the distinctiveness of those KISS and KISSES Trademarks through their *associated* or *combined* use over time with the HERSHEY'S Trademark and the Hershey get-up.

[140] The Board's analysis and conclusions at paras 59 and 60 are reproduced hereinafter:

[59] However, in my view, the Opponent's evidence demonstrates that with respect to chocolate specifically, the trademark KISSES has acquired a fairly substantial degree of distinctiveness in Canada through extensive sales and advertising over decades. The Opponent's evidence suggests that the trademark KISS (singular)

has been used to a much lesser extent than KISSES, and so I attribute less acquired distinctiveness to the trademark KISS than to the trademark KISSES.

[60] I note that the Applicant takes the position that any distinctiveness in the trademarks KISSES/KISS resides in their combination with the trademark HERSHEY'S. I disagree with that submission for two reasons. First, it is well established that two trademarks can be used together on a single product [*AW Allen Ltd v Canada (Registrar of Trade Marks)* (1985), 6 CPR (3d) 270 (Fed TD), at 272]. Second, in the present case, based on the evidence submitted by the Opponent, it is apparent that the trademarks KISSES/KISS are depicted in a manner that conveys to the purchaser that KISSES/KISS are separate trademarks in their own right (for example, Exhibit "D" to the Vanslyke Affidavit includes multiple packaging samples in which the trademark KISSES is depicted on a different line and much larger font than the trademark HERSHEY'S).

[141] As Hershey rightly points out in their written submissions, PIM is plainly wrong in their assertion that there is virtually no evidence of Hershey using KISS and KISSES without their house mark HERSHEY'S as the first and most striking portion of the combined word mark. PIM is wrong for two reasons. First, the Vanslyke Affidavit provides ample evidence of the use of the separate HERSHEY'S and KISS or KISSES marks where HERSHEY'S is depicted in a different and smaller font size than the KISS and KISSES marks, conveying that they are separate trademarks. Second, it has been long settled that more than one trademark can be used in association with a given good or service without affecting each trademark's distinctiveness (see for example *AW Allen Ltd v Canada (Registrar of Trade Marks)*, 1985 CarswellNat 565, [1985] F.C.J. No. 824 [*AW Allen*] at para 9 (cited to CarswellNat)).

[142] PIM attempts to circumvent this long-settled point by arguing without any supporting authority that consumers nevertheless perceive the product collectively as "HERSHEY'S

KISSES”, claiming that this alleged (and wholly unproven) misperception makes “HERSHEY’S KISSES” a single composite mark. They continue to submit the most striking element of this single composite mark is HERSHEY’S, not KISS or KISSES, because it comes first and it is the “famous house mark”. They tie the knot on this point by essentially claiming there cannot be any confusion between SWISSKISS (the most striking element of which is SWISS, according to PIM) and HERSHEY’S KISSES (as the most striking element of the single composite mark “HERSHEY’S KISSES”).

[143] To be clear, PIM’s submissions on this point are unfounded. The trademarks HERSHEY’S, KISS, and KISSES are three separate and distinct marks, for which Hershey has separate trademark registrations. Between the law and the separate registrations for HERSHEY’S, KISS, and KISSES, it is clear that multiple marks can be used in association with the same product or service without affecting each trademark’s distinctiveness. As such, not only did the Board not commit any palpable and overriding error in this analysis, but the Board conducted the correct trademark analysis.

[144] I have carefully analyzed Exhibit D to the Vanslyke Affidavit cited by the Board, a large number of other exhibits that were listed by Hershey at paragraph 35 of its Memorandum of Fact and Law on Appeal, as well as the Schedule A excerpts from Hershey’s Record that the Court requested Hershey to provide after the hearing. I discern no palpable and overriding error in either the Board’s conclusion and/or its underlying evidentiary and legal analysis related to the acquired distinctiveness of the KISSES and KISS Trademarks. The evidence clearly shows that the KISSES and KISS Trademarks appear on the chocolate packaging separate and apart from, in

a different font style and oftentimes in a larger font size than the HERSHEY'S Trademark. Consumers would be able to discern that the KISSES and KISS Trademarks are product trademarks distinguishing the particular chocolate product separate from the HERSHEY'S Trademark that is a manufacturer trademark distinguishing the chocolate's house brand.

[145] The Board similarly considered and evaluated the evidence and found that it clearly shows that the KISSES and KISS Trademarks appear on the chocolate packaging separate and apart from the HERSHEY'S Trademark such that KISS and KISSES would convey to the consumer that they are separate trademarks. The Board then correctly applied the applicable law (citing the Federal Court's decision in *AW Allen*) that more than one trademark can be used in association with a particular good or service, without affecting the distinctiveness of each mark (see *AW Allen* at para 9; *Premier Tech Home & Garden Inc v Ishihara Sangyo Kaisha Ltd*, 2022 TMOB 25 at para 14). If I am wrong with the inadmissibility of the online surveys filed by the parties, the Brigley SWISSKISS Survey Study results are evidence that the KISS and KISSES Trademarks are both distinctive of its owner Hershey in that between 55% and 70% of chocolate consumers are able to name "Hershey's" when asked the questions at paragraph 119 above.

[146] PIM's alleged error A must fail as it is not supported in trademark law, nor does it have any basis in the evidence. Therefore, there is no palpable and overriding error in the Board's findings on the distinctiveness in the KISSES and KISS marks despite their use on the same product with a separate trademark with the HERSHEY'S mark.

(b) *Kiss as a Generic or Descriptive Term*

[147] PIM asserts as alleged error C that the Board in concluding that while there was “substantial” evidence showing generic use of the word KISS in association with “a small piece of candy”, that evidence did not equally apply to the Respondent’s HERSHEY’S KISSES chocolate confection which is also “a small piece of [chocolate] candy” “...wrapped in paper or foil”. They likewise assert as alleged error G that the Board erred in finding KISS to be the most striking element of Hershey’s KISS and KISSES marks because the word is generic or descriptive.

[148] In its Decision, the Board considered the evidence before it and held that it was insufficient to conclude that the term “KISS” was generic as of the material dates in the opposition proceeding in relation to chocolate products specifically, which was the more specific and relevant question before it (not candy in general). The Board first considered the KISS and KISSES Trademark Registrations registered in association with chocolate products, which are presumed valid (TMA s 19; see for example *Group III International Ltd v Travelway Group International Ltd*, 2020 FCA 210 at para 12), and that the Board does not, in the context of an opposition proceeding under section 38 of the TMA, have the jurisdiction to expunge or otherwise declare these registrations invalid. The Board then considered the evidence of third party use of the term “KISS(ES)” in Canada in association with chocolate and concluded that it appears to be very limited, both in terms of the number of such products and the lack of evidence of the volume of sales in Canada. The Board wrapped up this point at paragraphs 58 and 59 of the Decision by finding that, while the word “kiss” may indeed have had a generic meaning with respect to candy in general, “kiss” with respect to chocolate has acquired its own distinctiveness

from Hershey's extensive sales and advertising using their KISS and KISSES Trademarks over several decades.

[149] It is clear from the reasons of the Board at paragraphs 43 to 47 of its Decision that it carefully considered all the evidence before it. As pointed out by Hershey in its submissions, when a careful analysis is done of all the evidence, there is little evidence of third party use of "kiss" in Canada with chocolate and even candies. Hershey submits, and I agree, that similar limited evidence was previously rejected or found insufficient by the Board and Courts to conclude that a term had become generic (see for example *Vivant Holdings Ltd. v Levi Strauss & Co*, 2005 FC 707 at para 62). In my view, there is no palpable and overriding error in the Board's above-summarized conclusion. The word "kiss" may have been generic for a small piece of candy but, through Hershey's use of their KISS and KISSES Trademarks over decades, the Board's analysis correctly identified these marks acquired distinctiveness specifically in respect of Hershey's KISS and KISSES Trademarks and serve as a source identifier for Hershey's chocolates. PIM's alleged error C must fail.

[150] PIM also asserts in alleged error G that, since the word KISS is generic or descriptive, the Board erred in finding KISS is the most striking element, of Hershey's KISS and KISSES Marks. Notwithstanding the fact that the word KISS is the entirety of the KISS Trademark and is merely pluralized in the KISSES Mark, such that I struggle to imagine what else could be the most striking element of these marks. It should suffice that the above discussion illustrates that the word "kiss" within the context of chocolate has acquired a level of distinctiveness from Hershey's use of KISS and KISSES such that it is set apart from the generic term and is quite

capable of serving as the most striking part of those marks. Even aside from this acquired distinctiveness and simply accepting, since this is not an expungement proceeding against Hershey's marks, that these are registered marks and therefore presumed valid, KISS and KISSES are the entirety of their respective word marks. If "kiss" is not the most striking element of these valid word marks, PIM has certainly failed to show what valid alternatives exist. As such, PIM's alleged error G must likewise fail.

(c) *Conclusion on Alleged Errors A, B, C, G related to Hershey's KISS and KISSES Trademarks*

[151] In my view, I discern no palpable and overriding error in either the Board's conclusion or its underlying evidentiary and legal analysis with respect to their findings that "kiss" is not a generic term within the context of chocolate, and Hershey has acquired distinctiveness for the KISS and KISSES Trademarks. PIM's alleged errors A, B, C, and G fail.

(4) *Alleged Errors related to PIM's SWISSKISS Trademarks – D, F, J*

[152] PIM alleges in error D that the Board erred in dissecting the Applicant's Trademarks, which comprise the coined word SWISSKISS and not SWISS and KISS. They similarly allege in error F that the Board erred in holding that the word SWISS, in the context of the Applicant's Trademarks, was not capable of distinguishing the Applicant's Marks from the Respondent's KISS and KISSES trademarks, or precluding any likelihood of confusion. They likewise allege in error J that the Board erred in failing to accord significant weight to the first part of the coined word in the Applicant's Trademarks – SWISS.

[153] At their core, alleged errors D, F, and J all come down to the Board's repeated finding that SWISSKISS's most striking element is KISS because SWISS, being merely descriptive of the origin of PIM's chocolate, is not capable of distinguishing PIM's "chocolate of Swiss origin" from those of other traders. All three alleged errors challenge, essentially, the Board's singular finding that PIM cannot rely on SWISS as distinctive or striking because SWISS is merely a descriptive term.

(a) *Most Striking Part*

[154] While the Board acknowledged that the first element of the trademark often is the most important (*Conde Nast* at 188), the Board followed the preferable approach indicated by the Supreme Court in *Masterpiece* at paragraph 64: "when assessing the degree of resemblance, it is to consider whether there is an aspect of the trademark that is striking or unique."

[155] In opposing the Board's finding, PIM submits that the word "SWISS" is the most striking element of the SWISSKISS Trademarks, and the Board cited no case law in support of this rationale for disregarding the first portion of the trademark, which is often considered the most significant, which is incorrect as the Board clearly cited *Masterpiece*. Most of its arguments in support of "SWISS" being the most striking element of its SWISSKISS Trademarks are premised, however, on the expert evidence that I have found inadmissible and immaterial, and further based on their own misunderstandings of the Board's Decision and the trademark law at play.

[156] In its Decision, the Board found it was apparent that the most striking element with respect to Hershey's KISS and KISSES Trademarks is the word "KISS". It then determined that, while the first portion of a mark is often the most significant (citing *Conde Nast*), in this case, it did not consider the first portion of the SWISSKISS Trademarks to be particularly striking or unique. Rather, the Board found that "KISS" in the SWISSKISS Trademarks was the most striking or unique aspect because the first portion of the SWISSKISS Trademarks, "SWISS", refers to the geographic origin of the goods. The Board cited *Caterpillar Inc v Supacat Ltd*, 2011 TMOB 161 at paragraphs 21-23 as an example of a case where the Board previously held that the most striking element was the second portion of the trademark given that the first portion was non-distinctive. The Registrar also cited PIM's own evidence regarding the development of the SWISSKISS name, which it found highlighted the importance of the "KISS" component to PIM's SWISSKISS Trademarks as a whole, and suggested that it is another reason why it held it, is the "KISS" component that is particularly striking.

[157] At paragraph 61, the Board proceeded to its analysis of the inherent distinctiveness of the SWISSKISS Trademarks. The Board found they had a low degree of inherent distinctiveness because it is comprised of the word "SWISS", which is descriptive of the geographic origin of the Swiss chocolates and thus not inherently distinctive, and "KISS", which it previously found at paragraph 58 to have a relatively low degree of inherent distinctiveness in view of PIM's evidence.

[158] In light of these findings that are all based on the evidence and supported by the jurisprudence, I find the Board made no palpable and overriding errors with respect to alleged errors D, F, and J in finding KISS was the most striking part of the SWISSKISS mark.

(b) *Coined Term*

[159] Despite alleged error J's wording, PIM's submissions clarify that they believe "SWISSKISS" is a singular, coined word such that it cannot be broken down and analyzed by its component words "SWISS" and "KISS". Specifically, they claim that the coined word "SWISSKISS" "conveys the product's origin, romance, the idea of a loving gift of chocolate, and rhymes such that the mark is intended to be more memorable to consumers, all while using the generic term "kiss", which has long roots in the confectionery industry." PIM also alleges the Board erred in failing to accord significant weight to the word "SWISS", being the first part of the coined term "SWISSKISS".

[160] The Board acknowledged PIM's argument that it should consider SWISSKISS as a single, coined term, and recognized that it must consider each of PIM's SWISSKISS Trademarks as a whole. However, the Board found it nevertheless apparent that each of the SWISSKISS Trademarks will be read and sounded as two separate words – i.e. "SWISS-KISS", and noted that the combination of upper and lower case letters in the SWISSKISS & Design Trademark (i.e., SwissKiss) reinforces that view. The Board also considered the components of the SWISSKISS Marks in the context of the analysis of the inherent distinctiveness of the trademarks at issue when it found at paragraph 61:

With respect to the Applicant's Word Mark, in my view, it also has a low degree of inherent distinctiveness. It is comprised of the word "SWISS", which is descriptive of the geographic origin of the Goods and thus not inherently distinctive [see *London Drugs Ltd v International Clothiers Inc*, 2014 FC 223, 120 CPR(4th), 1, at para 49], and "KISS", which has a relatively low degree of inherent distinctiveness for the reasons discussed above.

[161] Hershey submits, and I agree, that this was entirely proper of the Board in light of the applicable jurisprudence of the Federal Court of Appeal in *Shell* at paragraph 31:

31 In this respect, paragraph 12(1)(b) of the Act provides that a trademark is not registrable if it is descriptive "whether... written or *sounded*". I agree with Shell's submission that although the trade-mark in issue is not two separate words, "java" and "café", but is instead a single coined word JAVACAFE, this distinction is lost when the trade-mark is sounded in the French language. As such, for the purposes of considering descriptiveness pursuant to paragraph 12(1)(b), the trademark is effectively two words, namely "JAVA" and "CAFE". Again no survey is required to establish this point as the proposed mark in the French language cannot be sounded otherwise.

[162] As Hershey points out, a trademark's impression must be determined in consideration of the goods with which it is associated (see *Mitel Corp. v. Canada (Registrar of Trade Marks)*, 1984 CarswellNat 836, 79 C.P.R. (2d) 202 at paras 16-19 (cited to CarswellNat)). PIM's position assumes that a casual consumer would simultaneously disregard the fact that the first portion of their SWISSKISS Trademarks (i.e., SWISS) refers to the geographic origin of PIM's "chocolates of Swiss origin", while also regarding the whole word "SWISSKISS" as an invented word. These trademarks are, in fact, two proper words put together (SWISS and KISS), and when sounded out, they are pronounced distinctly as two separate words, thereby reinforcing the perception that these are two distinct words instead of a single coined word in the minds of

consumers (see *Shell* at para 31; see also *Canadian Council of Professional Engineers v Groupeg nie Inc*, 2009 CanLII 90448 (CA TMOB) at para 35).

[163] I am, therefore, not convinced that the Board committed any palpable and overriding errors with respect to alleged errors D, F, and J in its treatment of SWISSKISS as a coined term.

(c) *SWISS denotes goods of Swiss origin*

[164] As the Papaconstantinou 2 Affidavit offered material evidence relevant to the interpretation of the word SWISS as descriptive of the geographic origin of PIM’s chocolates of Swiss origin, being one component of alleged errors D, F, and J, I will analyze this issue on a *de novo* basis. As such, I am empowered to exercise any discretion vested in the Registrar to determine this issue as though this Court were the court of first instance (see TMA s 56(5); see also *Clorox* at para 20).

[165] In alleged error F, PIM asserts the Board erred in finding that the word SWISS in their SWISSKISS marks was incapable of distinguishing the mark from Hershey’s KISS and KISSES marks because the word “Swiss” is descriptive of the origin of PIM’s chocolates. This same allegation is pervasive throughout alleged errors D, F, and J as PIM’s “smoking gun” to prove that SWISS is not descriptive, it is distinctive in the SWISSKISS Trademarks, and it is the most striking part of the SWISSKISS Trademarks.

[166] To reinforce their argument, PIM filed three certification marks owned by Chocosuisse, one of which being a certification mark for SWISS (TMA325,071) for goods consisting of

chocolate and products made from chocolate that originate in Switzerland. Section 2 of the TMA includes certification marks in its definition of a trademark, and defines a certification mark as:

trademark means

- a) a sign or combination of signs that is used or proposed to be used by a person for the purpose of distinguishing or so as to distinguish their goods or services from those of others, or
- b) a certification mark;

certification mark means a sign or combination of signs that is used or proposed to be used for the purpose of distinguishing or so as to distinguish goods or services that are of a defined standard from those that are not of that defined standard, with respect to

- a) the character or quality of the goods or services,
- b) the working conditions under which the goods are produced or the services performed,
- c) the class of persons by whom the goods are produced or the services performed, or
- d) the area within which the goods are produced or the services performed.

[167] In the Applicant’s Supplementary Memorandum of Fact and Law, PIM argues that “the word SWISS (i) is a registered certification mark, (ii) enjoys distinctiveness as a matter of law, (iii) enjoys distinctiveness that makes it a dominant and striking element of PIM’s SWISSKISS Trademarks, and (iv) is incapable of precluding alleged confusion with HERSHEY’S KISSES marks, including KISS.” PIM relies on Justice Manson’s comment in *Ontario Dental Assistants Association v Canadian Dental Association*, 2013 FC 266 [*Ontario Dental*] at paragraph 21 for the proposition that certification marks must still be distinctive, and since they use the SWISS certification mark in their SWISSKISS Trademarks, SWISS must also be distinctive in their mark. What PIM failed to see is that Justice Manson’s comments in *Ontario Dental* were directed towards certification marks related to professional designations, which fall under the

general definition of a certification mark above. Justice Manson's key point was that, in general, certification marks must comply with sections 2, 12, and 23 of the TMA in order to be a valid mark. This is why, when comparing what Justice Manson wrote at paragraph 21 of *Ontario Dental* to the wording of sections 2, 4, 12, and 23 of the TMA, the *Ontario Dental* summary is a harmonization of all these separate requirements, as illustrated below:

[21] That definition must be viewed in the context of the Act as a whole, in that, in order to be a valid mark, any certification mark must be:

a) not clearly descriptive or deceptively misdescriptive of the wares or services in association with which it is used;

(as required by TMA section 12(1)(b))

b) able to distinguish the wares or services of a defined standard from wares and services of others (ie. be distinctive);

(as required by the definition of a "certification mark" in TMA section 2)

c) not be used by the certification mark owner, but only by authorized licensees, in association with the performance of services, the production of wares or advertising the wares or services of those licensees, at the date relied upon by the owner as a date of first use;

(as required by TMA subsection 23(1) and 23(2))

d) not likely to be confusing with any registered or previously applied for trade-mark, or previously used trade-mark or trade name, in Canada; and

(as required by TMA section 12(1)(d))

e) such that "use" must be in accordance with section 4 of the Act with respect to services, which requires that a trade-mark (and therefore certification mark) is deemed to be used with services if it is used or displayed in the performance or advertising of these services.

(as required by TMA section 4)

[168] In contrast though to certification marks in general, section 25 of the TMA carves out separate requirements for what is referred to as a “descriptive certification mark”:

Descriptive certification mark

25 A certification mark that is descriptive of the place of origin of goods or services, and not confusing with any registered trademark, is registrable if the applicant is the administrative authority of a country, state, province or municipality that includes or forms part of the area indicated by the certification mark, or is a commercial association that has an office or representative in that area, but the owner of any certification mark registered under this section shall permit its use in association with any goods or services produced or performed in the area of which it is descriptive.

[169] Like Justice Manson’s harmonization in *Ontario Dental* for certification marks generally, the section 25 carve-out incorporates the section 2 defined term of “certification mark”, the section 12(1)(d) requirement of the absence of confusion, and the registrability and licensing requirements for certification marks generally in section 23. As *Fox on Canadian Law of Trade-Marks and Unfair Competition* points out, section 25 gives a right to a minor and very limited type of registration:

[Section 25] has merely given a right to a minor and very limited type of registration. It did not conflict with s. 26(1)(c) or s. 29 of the old Act, nor does the present comparable provision conflict with s. 12(3) of the Trademarks Act, under which a trader may obtain registration and the exclusive right to use a geographical trademark that is *prima facie* unregistrable in view of s. 12(1)(b). Section 25 merely permits registration of a trademark that is effective only to prevent its use by others outside the territorial area of which the mark is descriptive.

(L.A. Kelly Gill, *Fox on Canadian Law of Trade-marks and Unfair Competition*, 4th ed (Thomson Reuters, 2024) [*Fox*] at § 5:69)

[170] The reality is these descriptive certification marks, which are registered to protect particular goods or services originating from a common place of origin, have been carved out from the ordinary trademark and general certification mark registrability requirements because, by their very nature, they are *prima facie* unregistrable under section 12. Due to this roadblock, the TMA provides an exception to section 12 for section 25 descriptive certification marks that are clearly descriptive of the place of origin of goods or services such that they are registrable under the TMA *despite* their otherwise-unregistrable character as clearly descriptive of the place of origin of goods or services.

[171] What PIM failed to mention to the Court or realize is that the SWISS, SUISSE and SWITZERLAND are descriptive certification marks registered under section 25 of the TMA (not section 23 certification marks as was the case in *Ontario Dental*, which was for a Certified Dental Assistant or CDA professional designation). This was made evident to the Court from both the file wrapper of the SWISS descriptive certification mark and the relevant opposition decision of the Board cited by PIM. The file wrapper for the SWISS descriptive certification mark (TMA325,071) is available on the online Trademarks Register Database for the related SUISSE descriptive certification mark (TMA324,971) that was filed and prosecuted together with the SWISS descriptive certification mark. As can be seen from the original application documents in the file wrapper, Chocosuisse made it clear they were applying to register their SWISS, SUISSE and SWITZERLAND certification marks *exclusively* under section 25 of the TMA. Indeed, the application filing documents signed on October 12, 1982, by Alex E MacRae & Co, the trademark agents for Chocosuisse at the time, states the following:

Applicant relies on Section 25, and in support of its qualification thereunder and of the allegations of fact in the [SWISS, SUISSE,

and SWITZERLAND] applications, we file herewith the affidavit of D. KUSTER complete with Exhibits A, B, C and D thereto.

[172] This is reinforced by the Board's opposition decision stemming from the opposition filed by Sanna, Inc against Chocosuisse for these very certification marks (SUISSE, SWISS, and SWITZERLAND), which was cited by PIM in the Applicant's Supplementary Memorandum of Fact and Law. In *Sanna Inc v Chocosuisse union des fabricants suisses de chocolat*, 1986 CarswellNat 579 [*Sanna*], the Board was asked to determine, among other things, whether SUISSE, SWISS, and SWITZERLAND were clearly descriptive of the goods' place of origin and therefore unregistrable as section 25 certification marks under section 12 of the TMA. In finding that the "clearly descriptive" prohibition did not apply to section 25 certification marks, the Board held:

S. 25 is clearly applicable in this present situation. The certification marks SWISS, SUISSE and SWITZERLAND are all in my view **without question descriptive of the place of origin** of wares from Switzerland and the Kuster affidavit establishes that the applicant is a commercial association having an office or representative in Switzerland.

(*Sanna* at para 9, our emphasis).

[173] As the Board in *Sanna* rightly pointed out, the carve-out in section 25 for descriptive certification marks exists because marks such as these, and indeed this SWISS certification mark specifically, are "without question descriptive of the place of origin" and would otherwise be unregistrable (*Sanna* at para 9). This aligns both with *Fox* and CIPO's *Trademarks Examination Manual* which, while not authoritative, similarly distinguishes descriptive certification marks from the remainder of certification marks as separately registrable if it meets the section 25

criteria, describing these marks as “a certification mark which is descriptive of the place of origin of the goods or services” (CIPO, *Trademarks Examination Manual* at 2.5.4).

[174] At all times from the time PIM filed their trademark application in 2013, at the time Hershey filed their respective statements of opposition in 2013/2014, at the time when the Board rendered their Decision in 2020, and when the hearing for this appeal was held in 2023, sections 23 to 25 of the TMA have dealt with certification marks. At all relevant times, a descriptive certification mark has been described in section 25 of the TMA as a mark that is “descriptive of the place of origin of wares or services” (TMA s 25, our emphasis). Further, Chocosuisse and not PIM owns the SWISS descriptive certification mark, and per the requirements in TMA section 25, Chocosuisse gave PIM permission to use the SWISS descriptive certification mark in association with their wares.

[175] Between the wording of section 25, the relevant portions of *Fox* and CIPO’s *Trademarks Examination Manual*, and the Board’s prior decision in *Sanna* finding precisely this point specifically with these section 25 descriptive certification marks, it is clear that SWISS is a descriptive certification mark. As such, SWISS is descriptive of the fact that “the [associated] goods or the chocolate product components thereof originate in Switzerland”, as is written in the “Certification Mark Text” for the SWISS descriptive certification mark (TMA325,314) that PIM filed in the *Papaconstantinou 2* Affidavit. As such, the SWISS descriptive certification mark crystallizes that the Board was specifically alive to the fact that SWISS is “without question” clearly descriptive in nature of the chocolate’s origin and therefore lacks the capacity to distinguish PIM’s SWISSKISS-marked chocolates of Swiss origin because SWISS is not

inherently distinctive of PIM but rather the standard and origin of the chocolate. Not only do I agree with the Board's finding on this point, but the material evidence PIM offered does nothing but reinforce that PIM is incorrect to assert that SWISS, in the SWISSKISS Trademarks, is distinctive of PIM's chocolates and is capable of precluding alleged confusion with the HERSHEY'S KISSES Trademarks, including the KISS Trademark.

[176] Chocosuisse giving PIM permission to use the descriptive certification mark SWISS to denote chocolate of Swiss origin does not mean PIM's use of the word SWISS in their own SWISSKISS Trademark Applications is somehow automatically distinctive of PIM. By having a license to use the SWISS descriptive certification mark, PIM may be free and clear from infringement and confusion as against Chocosuisse in association with its "Chocolate of Swiss origin". However, in incorporating the word SWISS into their SWISSKISS Trademarks, they ran the risk that the descriptive certification mark's nature as clearly descriptive of chocolates of Swiss origin would mean SWISS cannot be inherently distinctive or serve as a source identifier in its trademark. In fact, by its very definition, SWISS as a descriptive certification mark *can only be* descriptive of the origin of the goods. To suggest a descriptive certification mark could be anything other than *exclusively* descriptive of the origin of the goods would be to simultaneously undermine the descriptive certification mark itself, and section 25 of the TMA.

[177] As can be seen at section 2 of the TMA reproduced above, Parliament carved out a separate definition for certification mark other than a trademark, as they are signs that serve to distinguish goods or services differently. A trademark like the one PIM seeks to obtain must be a sign proposed to be used by a person for the purpose of distinguishing or so as to distinguish

their goods from those of others (a source identifier that points to a trader). A descriptive certification mark like SWISS is a sign that is used for the purpose of distinguishing or so as to distinguish goods of a defined standard from those that are not of that defined standard with respect to the area with which the goods are produced (a source identifier that points to the geographic region / terroir of the defined standard).

[178] The Board found, and I agree, that SWISS is not inherently distinctive as part of the SWISSKISS Trademarks because, despite its being the first part of the SWISSKISS Trademarks, it is merely descriptive of the goods' geographic origin. The Board was right to cite this court's decision reinforcing the same point in *London Drugs Limited v International Clothiers Inc*, 2014 FC 223 [*London Drugs*] at paragraph 49:

This Court has consistently held that geographic designations, such as names, surnames, initials, descriptive terms and common symbols are not inherently distinctive and should not be accorded a high degree of protection unless, of course, they have acquired distinctiveness over time. Nobody can claim a monopoly on a geographic name, especially when it is as well known as LONDON.

[179] *London Drugs* was not discussing descriptive certification marks, but this point does remain sound for the registrability of trademarks that bear a component that is a geographic designation. The names of places are not *inherently* distinctive as trademarks such that they ought not to attract a high degree of protection. It was fair for the Board to conclude that SWISS was clearly descriptive of a geographical location known for its chocolate, was not inherently distinctive of PIM's chocolates of Swiss origin, and lacked any acquired distinctiveness with respect to PIM's chocolates of Swiss origin. As SWISS, in the context of the SWISSKISS Trademarks, lacked distinctiveness and only described the goods' geographic origin, the Board

did not err in finding KISS, and not SWISS, was the most striking part of the SWISSKISS Trademarks.

[180] More particularly, PIM's submissions on this issue must fail because there was no logical way for their argument on how the law surrounding certification marks operates to succeed. Even considering that the SWISS descriptive certification mark is a trademark and is used for the purpose of distinguishing, according to section 2 of the TMA, it is only capable of distinguishing goods that are of a defined standard with respect to the area within which the goods are produced from those that are not of the defined standard. The Board was only tasked to determine the distinctiveness of the SWISSKISS Trademarks in association with the applied-for goods of "chocolate of Swiss origin", not whether SWISS was distinctive of chocolate from Switzerland.

[181] For these reasons, PIM has failed to establish a palpable and overriding error in the Board's conclusion that SWISS is incapable of distinguishing PIM's SWISSKISS marks from Hershey's KISS and KISSES marks because the word SWISS is descriptive of the place of origin of PIM's chocolates. PIM's alleged errors D, F, and J as they relate to the interpretation of SWISS in the context of PIM's chocolates of Swiss origin must fail. To be clear, on a *de novo* basis, I would have come to the same conclusions as the Board did in its section 6(5)(a) inherent distinctiveness, 6(5)(c) nature of goods and 6(5)(e) degree of resemblance findings.

(d) *Conclusion on alleged errors D, F, J related to PIM's SWISSKISS Trademarks*

[182] I am not convinced that the Board committed any palpable and overriding error in its conclusions on these points, nor in their conclusion that the sum of these findings results in a meaningful degree of resemblance between SWISSKISS Trademarks and Hershey's Trademarks because the word "kiss" is the most striking or unique aspect of both PIM's SWISSKISS Trademarks and Hershey's KISS and KISSES Trademarks. PIM's alleged errors D, F, and J fail.

(5) Alleged error E related to PIM's SWISSKISS & Design mark

[183] PIM also asserts in alleged error E that the Board erred in failing to consider the distinctive design elements incorporated in the Applicant's SWISSKISS & Design mark, but rather treated the two Applicant's Marks as equivalent.

[184] However, the Board at para 62 of its Decision clearly considered the mountain drawing and the "Finest Swiss Chocolate" tagline in its evaluation of the inherent distinctiveness of PIM's SWISSKISS & Design mark:

[62] The Applicant's Design Mark has a slightly higher degree of inherent distinctiveness than the Word Mark in view of the mountain design element; however, I do not consider this design element to be a dominant feature or to lend much inherent distinctiveness to the Design Mark as a whole. Similarly, I do not consider the descriptive tag line "FINEST SWISS CHOCOLATES" to add any inherent distinctiveness to the Design Mark. Overall, I consider the Design Mark to have a low degree of inherent distinctiveness for the same reasons as the Word Mark.

[185] Again, Hershey submits, and I agree, that this was entirely proper of the Board to conclude that the mountain design and tag line components of the SWISSKISS & Design Trademark were not the dominant feature in light of the greater size of the "SWISSKISS" word

and its conclusion is very much in line with the case law in opposition proceedings. Indeed, the Courts have consistently held that when words are the dominant component of a design mark, the words themselves are considered the most important feature of the mark, taking into account how the words would be sounded by consumers (*Worldwide Diamond Trademarks Limited v Canadian Jewellers Association*, 2010 FCA 326 at para 2; *Best Canadian Motor Inns Ltd v Best Western International Inc (FC)*, 2004 FC 135 at para 36).

[186] As previously discussed, the Board committed no reviewable errors in finding the coined word SWISSKISS can be analyzed on its most striking part, that KISS is the most striking part of the SWISSKISS Trademarks, and that the word SWISS in the SWISSKISS Trademarks is exclusively descriptive of the Swiss origin of PIM's chocolates, but not distinctive as a source identifier for a trademark in particular. Combined with my finding that the Board's method to analyze the SWISSKISS & Design Trademark was entirely proper, PIM has failed to substantiate a palpable and overriding error in the Board's consideration of the SWISSKISS & Design Trademark. PIM's alleged error E must fail.

IV. Conclusion

[187] On a *de novo* basis, I have determined that the word SWISS as used in the SWISSKISS Trademarks in association with "chocolate of Swiss origin" is a descriptive certification mark under section 25 of the TMA. By virtue of its exceptional nature as a descriptive certification mark that is necessarily descriptive of the geographic origin of the goods despite the TMA's general registrability requirements, it is without question that a descriptive certification mark is exclusively descriptive of the geographic origin of the goods and is only capable of

distinguishing the associated goods as being of a specific geographic origin. This character means a descriptive certification mark (SWISS) cannot simultaneously distinguish goods of a certain geographic origin (chocolate of Swiss origin) and a certain trader (PIM) in particular.

[188] On the standard of palpable and overriding error, PIM has failed to establish any error committed by the Board in finding that PIM had not satisfied its burden of proof to show that there is no reasonable likelihood of confusion between its SWISSKISS Trademarks, as applied for, and Hershey's registered KISS and KISSES Trademarks. PIM has likewise failed to establish any error committed by the Board in finding that PIM's evidence was insufficient to determine the word "KISS" is generic specifically for chocolate, and therefore the KISS and KISSES Trademarks are generic or otherwise devoid of distinctiveness in association with chocolate in Canada.

[189] On the whole, PIM has not demonstrated any reviewable errors with the Board's confusion analysis in concluding that the SWISSKISS Trademarks are not registrable, and PIM is not entitled to their registration. As such, the Board's Decision should be upheld and PIM's appeal is dismissed with costs to Hershey.

V. Costs

[190] Further to the parties' agreement on costs, the Court awards a lump sum amount of CAD \$30,000, inclusive of disbursements, legal fees and taxes, to the Respondent.

JUDGMENT in T-853-20

THIS COURT'S JUDGMENT is that:

1. The Applicant's appeal under subsection 56(1) of the *Trademarks Act* of the Trademarks Opposition Board's March 27, 2020 decision, having citation 2020 TMOB 56, is dismissed.
2. The Applicant shall pay costs to the Respondent in the amount of \$30,000, inclusive of disbursements, legal fees and taxes.

"Ekaterina Tsimberis"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-853-20

STYLE OF CAUSE: PROMOTION IN MOTION, INC., DBA PIM BRANDS,
INC. v HERSHEY CHOCOLATE &
CONFECTIONERY LLC

PLACE OF HEARING: HELD BY VIDEOCONFERENCE

DATE OF HEARING: JUNE 12, 2023

JUDGMENT AND REASONS: TSIMBERIS J.

DATED: APRIL 9, 2024

APPEARANCES:

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