



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

Citation: 2011 TMOB 51
Date of Decision: 2011-03-30

**IN THE MATTER OF AN OPPOSITION
by Canada Safeway Limited to
application No. 1,296,400 for the trade-
mark REFRESH in the name of Delca
Enterprises Ltd.**

[1] On April 3, 2006, Delca Enterprises Ltd. (the Applicant) filed an application to register the trade-mark REFRESH (the Mark) based on use of the Mark in Canada by the Applicant or the Applicant's predecessor in title (Sunfield Foods Inc.) since at least as early as April 2003 in association with flavoured electrolyte-replenishing powdered drink crystals.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of October 25, 2006.

[3] On February 27, 2007, Canada Safeway Limited (the Opponent) filed a statement of opposition. The Applicant filed and served a counter statement in which it denied the Opponent's allegations.

[4] In support of its opposition, the Opponent filed an affidavit of Ted Middleton, the Opponent's Director of Consumer Brands. In support of its application, the Applicant filed affidavits of Richard Berg (the Applicant's President and sole director) and Chrystal Bodrug (a legal assistant employed by the Applicant's agents). As reply evidence, the Opponent filed a second affidavit of Ted Middleton. No cross-examinations were conducted.

[5] Both parties filed a written argument. An oral hearing was held at which both parties made representations.

Summary of Grounds of Opposition and Applicable Material Dates

[6] The Opponent has pleaded the following grounds of opposition pursuant to the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act):

1. contrary to s. 38(2)(a) and 30(b), the Applicant has not used the Mark within the meaning of s. 4(1) in association with the claimed wares as of the date claimed in the application;
2. contrary to s. 38(2)(a) and 30(i), at the date of filing of the application, the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in view of the Applicant's knowledge of the Opponent's use and registration of the trade-mark REFRESHE for non alcoholic iced teas, lemonades and bottled drinking water;
3. contrary to s. 38(2)(b) and 12(1)(d), the Mark is not registrable because it is confusing with the Opponent's registered trade-mark, REFRESHE, registration No. TMA500,893;
4. contrary to s. 38(2)(c) and 16(1)(a), the Applicant is not the person entitled to registration of the Mark because, at the date of filing the application, the Mark was confusing with the Opponent's REFRESHE trade-mark, which had been previously used in Canada;
5. contrary to s. 38(2)(d) and 2, the Mark is not, and cannot be, distinctive of the wares of the Applicant, nor is it adapted to distinguish the wares of the Applicant from the wares of others, and particularly from the wares of the Opponent.

[7] The material dates with respect to the grounds of opposition are as follows:

- s. 38(2)(a)/30 - the filing date of the application [*Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475];

- s. 38(2)(b)/12(1)(d) - the date of my decision [*Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];

- s. 38(2)(c)/16(1) – the Applicant's date of first use;

- s. 38(2)(d)/2 - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc. v.*

Stargate Connections Inc. (2004), 34 C.P.R. (4th) 317 (F.C.).

Onus

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v. The Molson Companies Limited* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

Section 30(b) Ground of Opposition

[9] The s. 30(b) ground of opposition is dismissed because the Opponent has not met its initial burden in respect thereof. Although the Opponent's burden in this regard is not a heavy one and it can in fact be met by the Applicant's own evidence, in the present case there is no evidence before me that is inconsistent with the claim made in the application. The Opponent argues that the Applicant did not provide sufficient details concerning its use; however, the Applicant is not obliged to do so unless the Opponent's initial burden has been satisfied. It was open to the Opponent to cross-examine Mr. Berg on his affidavit if it wished to explore the details of the Applicant's use further, but it chose not to.

Section 30(i) Ground of Opposition

[10] Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the s. 30(i) ground is accordingly dismissed.

Section 12(1)(d) Ground of Opposition

[11] The likelihood of confusion between REFRESH and REFRESHE is the basis of the remaining grounds of opposition. I will begin by assessing it under the s. 12(1)(d) ground as of today's date.

[12] I have exercised the Registrar's discretion to check the register and confirmed that the Opponent's registration for REFRESHE is extant [see *Quaker Oats of Canada Ltd./La Compagnie Quaker Oats du Canada Ltée v. Menu Foods Ltd.* (1986), 11 C.P.R. (3d) 410 (T.M.O.B.)]. The Opponent's initial burden under s. 12(1)(d) has therefore been met.

[13] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[14] In applying the test for confusion, I must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the wares, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* (2006), 49 C.P.R. (4th) 321 (S.C.C.)]

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

[15] Neither mark is inherently strong because "refresh" is suggestive of the result of drinking either party's beverage.

[16] A trade-mark may acquire distinctiveness through use or promotion. The Opponent has provided evidence of sales (in excess of \$20 million) as well as evidence of the distribution of millions of advertisement flyers that promote its mark. The Applicant has also provided its sales figures (approximately \$500,000), but has not provided any evidence of promotion of its Mark.

length of time each trade-mark has been in use

[17] The Opponent has used its mark in association with beverages since 1995, whereas the Applicant has used its Mark since at least as early as April 2003.

nature of the wares, services, business or trade

[18] When considering the wares, services and trades of the parties, it is the statement of wares or services in the parties' trade-mark application or registration that govern in respect of the issue of confusion arising under s. 12(1)(d) [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc. v. Dale Bohna* (1984), 58 C.P.R. (3d) 381 (F.C.A.)].

[19] Both parties use their marks in association with beverage products. The Applicant's wares are in crystal form but there is no evidence before me to suggest that consumers would assume that ready-to-drink beverages and crystal drinks that require the addition of water do not share a common source. I note that the Opponent has pointed to several opposition decisions where confusion was found to be likely even though one party's mark was used in association with liquid beverages while the other's beverage product required the addition of water before drinking [see for example, *A. Lassonde Inc. v. Pied-Mont Dora Inc.* (1996), 72 C.P.R. (3d) 272 (T.M.O.B.)], but, of course, each case must be decided on its own facts.

[20] The type of beverage sold by each party also differs: a flavoured electrolyte-replenishing drink versus bottled water (both flavoured and unflavoured), lemonade or iced tea. However, there is uncontested evidence that in the Opponent's own chain of CANADA SAFEWAY grocery stores (of which there are more than 200 stores), sports drinks of the variety used to replenish electrolytes and nutrients are usually sold in the same aisle and on the same shelves as bottled water, in other words in close proximity to one another [see Middleton affidavits].

[21] The Applicant's President makes the following statements concerning the parties' channels of trade at paragraphs 9 and 10 of his affidavit:

9. The retail distribution points for Refresh are running shops, health food stores, and outdoor retailers. Secondary markets which have not been established but may in the future are drug stores and some retail stores. Refresh or any product sold under the Refresh Health Products company name will never be offered or sold at any Safeway store in Canada.

10. Even if Refresh is ever sold in drug stores or (non-Safeway) grocery store outlets it would be part of the pharmacy section with the whey protein powders, energy bars, etc. In contrast, Refresh water, lemonade, etc. is a Safeway house brand and, as far as I am aware, sold only in Safeway stores and as part of a regular grocery store aisle [*sic*] with soft drinks and the like.

[22] However, the Opponent's registration does not restrict its REFRESHE wares to any particular channel of trade. Similarly, the Applicant's application does not restrict its product to any particular channel of trade. Accordingly, any differences in the parties' current channels of trade are not a deciding factor in the assessment of the likelihood of confusion under s. 12(1)(d).

[23] I have considered two cases that the Applicant put forward in support of an argument that, although it is conceivable that the parties' wares could travel the same channels of trade, the proper question is whether there is any reasonable likelihood of both parties' wares travelling the same channels of trade: *Canada Wire & Cable Ltd. v. Heatex Howden Inc.* (1986), 13 C.P.R. (3d) 183 (F.C.T.D.) (*Heatex*) and *Clorox Co. v. Sears Canada* (1992), 41 C.P.R. (3d) 483 (F.C.T.D.), affirmed 49 C.P.R. (3d) 217 (F.C.A.) (*Masterpiece*).

[24] It is true that in *Heatex*, Jerome A.C.J. opined that one should ask whether it is likely that the parties' wares will ever be sold in competitive circumstances. However, the overall fact situation in *Heatex* was remarkably different from that at hand: the parties' wares were dissimilar and there was no evidence that any consumer ever sought to buy both types of wares at the same time or from a single seller. In addition, the Court noted that the consumers of both products were generally industrial users who would be "somewhat knowledgeable when they are going into the market for the acquisition of materials which will find their way into their construction projects on the one hand, and find their way into major industrial automotive products on the other. **The consumers of these products, for those purposes, are a little more sophisticated than the average consumer going into a supermarket** to be influenced by high pressure advertising." (paragraph 18; emphasis added)

[25] The *Masterpiece* case is perhaps more similar to the present case than is the *Heatex* case in that in *Masterpiece* the opponent only sold its wares in its own chain of department stores. While the opponent did not succeed in *Masterpiece*, its loss was not because the parties'

channels of trade were never likely to overlap. When the Trial Division's decision was affirmed by the Federal Court of Appeal, Mahoney J.A. commented, "We do not understand the references to the fact that the appellant's wares are marketed only through its own outlets to have been made in the context of limiting the protection to which its mark is otherwise entitled... but rather to have been properly made in the context of how well-known it had become." [49 C.P.R. (3d) 217 at 218] Thus I question if the *Masterpiece* decision stands for the proposition put forward by the Applicant.

[26] In any event, even if I accepted that the parties' channels of trade were likely to be mutually exclusive, that would be but one of the surrounding circumstances to be considered and, in my view, not a deciding circumstance in the present fact scenario.

degree of resemblance between the trade-marks

[27] The marks are identical in sound and in idea suggested. The "e" at the end of the Opponent's mark does little to detract from the high degree of resemblance between the marks.

additional surrounding circumstances

i) state of the register

[28] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located [see *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432; *Del Monte Corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.); *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.)].

[29] Ms. Bodrug conducted searches of the trade-marks database of the Canadian Intellectual Property Office directed to trade-marks that include the word REFRESH. Although she located 56 trade-marks (that are registered, pending or allowed), the pertinent marks are those that are associated with beverages. There appear to be only three or four third party REFRESH marks associated with beverages and that is too small a number to draw any inference about the state of the marketplace.

ii) lack of evidence of confusion

[30] Mr. Berg states that he has not been aware of any instance of confusion. However, as Mr. Berg has not indicated where the Applicant's wares have been sold in Canada, it is unclear if the parties' wares have been sold in any overlapping cities. Also, according to Mr. Berg, to date the Applicant's wares have travelled channels of trade that are distinct from those travelled by the Opponent's wares. In any event, it is of course not necessary for the Opponent to evidence confusion in order for me to find that there is a likelihood of confusion.

conclusion

[31] In the circumstances of this case, I find that the Applicant has not met its legal burden. Confusion as to source of the parties' respective wares seems reasonably likely given the high degree of resemblance between the marks and the nature of their associated wares. Mr. Berg attests at paragraph 8 of his affidavit: "Somebody looking for electrolyte replenishing would not even consider any one of the Refreshe products." However, the issue is not whether the products would be confused one for the other but rather whether there would be confusion as to source, i.e. whether a consumer who has an imperfect recollection of the Opponent's REFRESHE beverages, would upon seeing the REFRESH drink crystals assume, as a matter of first impression, that both emanate from the same source. The evidence does not satisfy me that this would not be reasonably likely to occur. While I agree with the Applicant's submission that weak marks are only entitled to a very narrow ambit of protection, I believe that the Applicant's Mark falls within the ambit of protection to be accorded to the Opponent's mark. The difference between the parties' marks is miniscule and although the Opponent's mark is inherently weak, it has become stronger through substantial use and promotion.

[32] The s. 12(1)(d) ground is therefore successful.

Distinctiveness Ground of Opposition

[33] The distinctiveness ground relies upon a likelihood of confusion with the Opponent's mark. As stated previously, the date for considering the likelihood of confusion under the distinctiveness ground is earlier, namely February 27, 2007. The Opponent has met its initial

burden regarding the likelihood of confusion as of that date since it has shown that its mark was known as of that date [see *Bojangles' International LLC v. Bojangles Café Ltd.* (2006), 48 C.P.R. (4th) 427 (F.C.)].

[34] The Applicant's case as of this earlier date is weaker than it is as of today's date because we have not been told what its sales amounted to as of that date whereas the Opponent's sales still exceeded \$20 million at that time. The distinctiveness ground of opposition therefore succeeds for reasons similar to those discussed under the s. 12(1)(d) ground of opposition.

Section 16(1)(a) Ground of Opposition

[35] The Opponent has also met its initial burden under s. 16(1)(a) since it has evidenced that its mark was in use in Canada prior to April 2003 and had not been abandoned as of October 25, 2006 (see s. 16(4)).

[36] The Applicant's case is even weaker as of April 2003 as it had only just begun to use its Mark, whereas the Opponent had already sold in excess of \$10 million of its REFRESHE beverages. The s. 16(1)(a) ground of opposition therefore succeeds for reasons similar to those discussed under the s. 12(1)(d) ground of opposition.

Disposition

[37] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

Jill W. Bradbury
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office