

**Date: 20060912**

**Docket: T-600-05**

**Citation: 2006 FC 1077**

**Ottawa, Ontario, the 12th day of September, 2006**

**Present: the Honourable Mr. Justice de Montigny**

**BETWEEN:**

**INDUSTRIES LASSONDE INC.**

**Applicant**

**and**

**SUN PAC FOODS LIMITED**

**Respondent**

**REASONS FOR JUDGMENT AND JUDGMENT**

[1] The appeal at bar was filed pursuant to section 56 of the *Trade-Marks Act*, R.S.C. 1985, c. T-13 (the Act), from a decision by a member of the Trade-marks Opposition Board (the Board) on February 10, 2005. In that decision the Board, whose members exercise powers delegated to them by the Registrar of Trade-marks (the Registrar), dismissed the applicant's application to register the brand name FRUITÉ (the Mark) in association with fruit juices and non-alcoholic fruit drinks. This application was filed by the applicant on January 19, 1998 based on the use it had allegedly made of this mark since July 10, 1987.

[2] It appeared that A. Lassonde Inc., the predecessor in title of the applicant Industries Lassonde Inc. as to the rights in the marks concerned in the appeal at bar, had used the pictorial mark FRUITÉ Design and the brand name FRUITÉ in association with fruit juices and fruit drinks since at least July 1987, the date on which the products were launched and marketed.

[3] In its decision the Board essentially concluded that the registration application could not be allowed because the Mark was not distinctive and because several entities had used the Mark. However, it should be noted that the Board came to this conclusion after rejecting the affidavit of Jean Gattuso, president and general manager of the applicant, who could not be thoroughly cross-examined by the respondent as a result of the unacceptable conduct of Mr. Gattuso's representative. This situation, which the Board was at pains to deplore, compelled it to make a decision in the absence of evidence on key points such as sales figures and advertising costs for the juices and drinks sold in association with the Mark.

[4] In view of Mr. Gattuso's new affidavit filed in the proceedings at bar and the fact that the respondent notified the Court that it would not take part in the appeal, I allow the application at bar and reverse the Board's decision. The following paragraphs set out the reasons which have led this Court to conclude in this way.

**BACKGROUND TO ISSUE**

[5] On January 19, 1998, A. Lassonde Inc. filed a registration application for the brand name FRUITÉ on account of its use in association with “fruit juices and non-alcoholic fruit drinks”.

Despite the *a priori* descriptive nature of the Mark, the Registrar concluded that it had been used in Canada since July 1987 and had become distinctive at the time the application to register was filed, in accordance with subsection 12(2) of the Act. Consequently, the Registrar issued an appropriate notice of authorization on June 18, 1998 and published the registration application in the *Trade Marks Journal* for opposition purposes on July 22, 1998.

[6] This decision was hardly surprising, considering that he had previously allowed two registration applications by A. Lassonde Inc. for the Mark FRUITÉ Design, and registered them in 1997. It should be mentioned that A. Lassonde Inc. had filed an initial registration application for the Mark FRUITÉ Design on May 25, 1989. At the review stage that application had been subject to an objection on the ground that the Mark clearly described the wares in association with which it was used, thereby contravening paragraph 12(1)(b) of the Act. In response to this objection, A. Lassonde Inc. filed an affidavit by Mr. Gattuso in which he set out the sales and annual advertising costs for juices and drinks sold in association with the Mark FRUITÉ Design. Based on that affidavit, the Registrar acknowledged that the Mark had become distinctive in Quebec, Ontario and the Maritime provinces, and thus withdrew his objection pursuant to subsection 12(2) of the Act. The Mark FRUITÉ Design was accordingly registered as No. LMC477835 on June 16, 1997. It may be noted that the effects of this registration were limited at that time to the provinces mentioned above.

[7] On February 28, 1994 this initial registration application was followed by a second, again concerning the same Mark, FRUITÉ Design. This application was also subject to an objection based on paragraph 12(1)(b) of the Act, and a second affidavit by Mr. Gattuso was filed to again make use of the provisions of subsection 12(2) of the Act for this second application. At that time, with the benefit *inter alia* of five additional years of sales, the Registrar acknowledged that the Mark FRUITÉ Design had become distinctive throughout Canada and registered the Mark as No. LCM485575 on November 17, 1997.

[8] Despite the *a priori* descriptiveness of the brand name FRUITÉ, it was predictable that the Registrar would conclude that the Mark had become distinctive on the date the application was filed based on the proof of use filed in connection with the two preceding registration applications. On January 6, 1999 Sun Pac Foods Limited filed a statement of opposition, a copy of which was sent to the applicant on March 2, 1999. The respondent's grounds of opposition were summarized by the Board as follows, at page 1 of the subject decision:

1. under the provisions of paragraph 38(2)(a) of the *Trade-Marks Act* (the "Act"), this application does not meet the requirements set out in section 30 of the Act, namely:

(a) the Applicant has not used the Mark since the date of first use claimed in its application in association with the Wares (paragraph 30(b) of the Act);

(b) the Applicant could not be satisfied that it is entitled to use the Mark given the descriptive nature of the Mark and its use by third parties (paragraph 30(i) of the Act);

2. under the provisions of paragraph 38(2)(b) of the Act, the Mark is not registrable because:

- (a) the Mark is clearly descriptive or deceptively misdescriptive of the character or quality of the wares in association with which it is used (paragraph 12(1)(b) of the Act);
- (b) the Mark contravenes section 10 of the Act because it has, by ordinary and *bona fide* commercial usage, become recognized as designating the kind and quality of wares and has been used by many third parties as it appears from the state of the register (paragraph 12(1)(c) of the Act);
- (c) the Mark is confusing with trade-marks previously used by third parties, among them FRUITTI, which is registered under No. TMA319752 and TMA 340793, and is owned by Ault Foods Limited (paragraph 12(1)(d) of the Act); and
- (d) the word “FRUITÉ” was not so used by the Applicant as to become distinctive within the meaning of section 2 of the Act at the date of filing an application for registration (subsection 12(2) of the Act);

3. under the provisions of paragraph 38(2)(d) and section 2 of the Act, the Mark is not distinctive because:

- (a) it is so clearly descriptive or deceptively misdescriptive that it cannot be used to distinguish wares;
- (b) the Applicant authorized licensees to use the Mark in such a manner that the Mark is not distinctive, which breaches the provisions of section 50 of the Act;
- (c) third parties use similar marks.

[9] Based on the evidence before it, the Board first dismissed ground of opposition 2(b) described above on the basis that the respondent had not alleged, as stipulated in paragraph 12(1)(c) of the Act, that the Mark as such was the name of the wares described in the registration application. It also considered that the respondent had not discharged its initial burden of proof in respect of ground of opposition 1(a). Finally, ground 1(b) was also dismissed because the respondent had not alleged that the applicant must have known that the Mark was descriptive or used by third parties. Paragraph 30(i) of the Act requires that at the time a registration application is filed the applicant must submit “a statement that [he] is satisfied that he is entitled to use the trade-mark in Canada”.

Alternatively, the Board indicated that if it was wrong on this ground, its fate would depend on the fate of grounds of opposition 2(a) and (b) and 3. Presumably if the evidence showed that the Mark FRUITÉ had not become distinctive as to the applicant's wares at the date the registration application was filed, the applicant could not be satisfied or believe that it was entitled to use the Mark.

[10] At the same time, the Board allowed grounds 2(a) and (d), as well as grounds 3(b) and (c) as described above. The reason the Board came to this conclusion was essentially that there was no evidence before it that would have allowed it to disregard the objections by the respondent based on subsection 12(2) of the Act. It appeared that the applicant's representative had been guilty of unacceptable conduct in cross-examination of Mr. Gattuso, each question put by the respondent being systematically subject to an objection or a request for clarification when the matter was only at the preliminary stage and at the stage of defining the deponent's role and responsibilities with the applicant. Indeed, the atmosphere became so unpleasant that the witness and his representative withdrew from the room before the cross-examination could be completed. The respondent suffered a serious hardship from the fact that it was not able to fully cross-examine the deponent on the essential aspects of his affidavit, the purpose of which was to establish the distinctiveness of the Mark, and the Board had no choice but to associate this situation with a refusal to subject the deponent to cross-examination. That is why it refused to consider the content of the affidavit.

[11] In view of the rejection of the affidavit signed by Mr. Gattuso, the Board had no choice but to allow the objections made by the respondent in view of the distinctiveness of the Mark and the

use other entities might have made of it. The gist of the Board's reasons in this regard is contained in the following two paragraphs from the decision, at page 18:

It appears from the summary of evidence filed by the Opponent that the Opponent discharged its initial burden of proof regarding grounds 2(a) and (d). Dictionary definitions clearly show that the word "FRUITÉ" is descriptive of one of the characteristics of the Wares, namely that they are fruit juice or fruit drinks. However, that evidence alone does not necessarily bar the application for registration. Under the provisions of subsection 12(2) of the Act, the Applicant could show that, on the date the application for registration was filed, the Mark was distinctive. The affidavit used to show the distinctiveness of the Mark was the affidavit from Jean Gattuso, which was struck from the file for the reasons stated above. I therefore have to accept grounds 2(a) and (d) because the Applicant failed to show that the Mark is registrable.

Even if Mr. Gattuso's affidavit were still in the file, the adverse conclusion I drew from his refusal to be cross-examined, namely that several entities used the Mark, without knowing the exact link between those entities, means that I would conclude that the Mark was not distinctive from the Applicant on the date the statement of opposition was filed. I therefore also allow grounds of opposition 3(b) and (c) described above.

[12] In view of this conclusion unfavourable to the applicant, the Board did not see the need to analyze the other grounds of opposition raised by the respondent, namely grounds 2(c) and 3(a).

[13] The applicant appealed this decision on April 5, 2005. In its notice of appeal it asked this Court not only to reverse the Board's decision but also to direct the Registrar to proceed to register the Mark FRUITÉ concerned in the registration application No. 866595. In support of its appeal, the applicant submitted a new affidavit by Mr. Gattuso, which included the affidavits it had already filed in respect of registrations LMC477835 and LCM485575 mentioned above, as well as the affidavit of Caroline Lemoine, director, legal affairs, Industries Lassonde Inc.

[14] None of the applicant's deponents was cross-examined by the respondent. Mr. Gattuso's cross-examination was to have taken place on November 1 and 2, 2005, but the respondent instead asked this Court to hold a dispute resolution conference on those days in an effort to conclude the matter along with another related case, namely Lassonde's action against Sun Pac for trade mark infringement, case T-393-98. Consequently, a mediation meeting was in fact held on November 30 and December 1, 2005, presided over by my colleague Roger Hughes J. Following that meeting, Sun Pac was ordered not to take part in this appeal. Further, a letter to this effect was filed with the Court on December 8, 2005, with the applicant's consent, stating that neither of the parties would seek costs in the matter.

## **ANALYSIS**

[15] The question that arises in the Court now is whether the Board's decision should be overturned, based on the information provided by Mr. Gattuso in his affidavit and in the attached exhibits.

[16] The leading case on appellate review of a decision by the Board is *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145, [2000] F.C.J. No. 159 (QL). In that case, the Federal Court of Appeal held that unless there was new evidence the Court should act with some restraint in considering the decision on appeal; on the other hand, when new evidence was presented and the evidence was relevant, the Court should arrive at its own conclusions, as indicated in paragraph 51 of the judgment:



I think the approach in *Benson & Hedges v. St. Regis* and in *McDonald v. Silcorp* are consistent with the modern approach to standard of review. Even though there is an express appeal provision in the *Trade-marks Act* to the Federal Court, expertise on the part of the Registrar has been recognized as requiring some deference. Having regard to the Registrar's expertise, in the absence of additional evidence adduced in the Trial Division, I am of the opinion that decisions of the Registrar, whether of fact, law or discretion, within his area of expertise, are to be reviewed on a standard of reasonableness *simpliciter*. However, where additional evidence is adduced in the Trial Division that would have materially affected the Registrar's findings of fact or the exercise of his discretion, the Trial Division judge must come to his or her own conclusion as to the correctness of the Registrar's decision.

[17] Consequently, inasmuch as this Court did not have new evidence before it regarding the grounds dismissed by the Board, I see no reason to question its conclusions on grounds 1(a) and (b) and 2(c). However, what about the conclusion that the Mark is not distinctive?

[18] Under subsection 12(2) of the Act, the applicant must show that the trade mark it wishes to register, though it may be regarded as descriptive, has acquired a second and distinctive overriding meaning during its use in association with the wares or services with which it is associated. The date that must be considered in determining this question is the date on which the application to register the mark in question was filed. Further, it will not be necessary to establish that the use of a mark is exclusive in order to show distinctiveness: rather, the circumstances as a whole must be considered and it must be shown that its use is significant enough for the mark to be regarded as distinctive, in accordance with *Molson Breweries v. John Labatt Ltd.*, *supra*, at paragraphs 59 and 70.

[19] It appeared from the affidavit filed by Mr. Gattuso, the content of which must be taken as proven in the absence of cross-examination, that sales figures for fruit juices and drinks sold in

association with the Mark since 1987, the date the registration application was filed, have been steadily increasing, climbing from \$2,154,104 in 1987 in Quebec alone to \$25,751,925 in 1998, this time in Quebec, Ontario and Western Canada. In short, this represents a total of nearly \$160,000,000 in sales of fruit juices and fruit drinks in association with which the Mark was used for the period from 1987 to 1998, or nearly 170,000,000 bottles sold in Canada during that period.

[20] Investments to promote and advertise the said wares sold in association with the Mark during that period totalled over \$5,000,000. These are significant amounts, in view of the fact that the products sold are not expensive.

[21] Further, I note that as indicated by a number of copies of documents filed in support of Mr. Gattuso's affidavit, the applicant exercised diligence in respect of third parties not authorized to use similar trade marks in association with drinks or other wares of the same type.

[22] Finally, I must take into account the fact that on two occasions the Registrar had already recognized that the Mark FRUITÉ Design had become distinctive, in 1997 when he agreed to register the pictorial mark first for Quebec, Ontario and the Maritimes, and then for all of Canada. As I mentioned earlier, the Registrar came to this conclusion based on the affidavits signed by Mr. Gattuso to counter the objections grounded on paragraph 12(1)(b) of the Act, and those affidavits are essentially to the same effect as the one filed in connection with the appeal at bar.

[23] As regards the Board's comments that the Mark was not distinctive in view of the fact that "several entities used the Mark, without knowing the exact link between those entities", the affidavit

by Caroline Lemoine, an affidavit that was not before the Board, clarifies this ambiguity. It appeared from that affidavit and from attached exhibits that on July 19, 2000, A. Lassonde Inc. duly assigned to Industries Lassonde Inc. all its rights in the mark FRUITÉ, including mark registrations LMC477835 and LMC485575 for the Mark FRUITÉ Design and registration application 866595 which is the subject of the case at bar. Any confusion that may exist between the corporate names “A. Lassonde & Fils Inc.” and “A. Lassonde Inc.” results essentially from a change of name that occurred in May 1992, by which the “& Fils” was deleted from the corporate name. Accordingly, in light of the foregoing it cannot be said that several entities used the Mark, which deprived it of its distinctiveness. All the businesses using the name “Lassonde” were one and the same entity.

[24] Finally, I briefly consulted the evidence filed by the respondent before it withdrew from the case. That evidence consisted of two affidavits, one by Linda Palmer, a trade marks researcher, and one by Andrea Jane Long, an attorney for the firm representing the respondent.

[25] Ms. Palmer’s affidavit dealt with two trade mark searches, the first regarding marks containing one of the words “fruité”, “fruitée” and “fruity”, and the second containing the word “fruit” or its plural. Although these searches indicate the presence of several marks on the Register containing one of these words, they did not disclose any mark consisting only of the word “FRUITÉ” in association with juice, drinks or similar wares, and of course other than the Industries Lassonde mark. Nevertheless, that would not be fatal: as I mentioned earlier, it is not necessary to show exclusive use of a mark in order to establish distinctiveness.

[26] At the same time, Ms. Long's affidavit established the existence of products, essentially of food and beverages, the names of which included the word "fruit" or one of its derivatives.

Inasmuch as no juice, drink or similar ware sold in association with the mark "FRUITÉ" as such was entered in evidence, the evidentiary value of this evidence is somewhat limited. In any event, the products referred to by Ms. Long in her affidavit were bought in various retail stores in May 2005. The relevant dates for assessing the distinctiveness of a mark are the date the registration application is filed, for an analysis under subsection 12(2) of the Act, and the date a statement of opposition based on the absence of a mark's distinctiveness is filed, under section 2 of the Act.

[27] For all the foregoing reasons, I have come to the conclusion that the applicant has shown that the Mark was distinctive, though it might be regarded as descriptive at first sight, and the objections made by the respondent in its grounds of opposition 2(a) and (d), 3(b) and (4) cannot be accepted. Further, I feel that ground 3(a) should also be dismissed since this is only a rewording of the prohibition against registering a mark which is either clearly descriptive or deceptively misdescriptive of the character or quality of wares contained in paragraph 12(1)(b) of the Act. The Mark FRUITÉ concerned in registration application No. 866595 may thus be registered pursuant to subsection 12(2) of the Act.

[28] There is still the respondent's ground of opposition 2(c), set out above, that the Mark is confusing with trade marks previously used by third parties, among them FRUITTI & Design, registered under LMC319752 and LMC340793 and owned by Ault Foods Ltd. As I mentioned earlier, the Board did not rule on this ground, dealt with in paragraph 12(1)(d) of the Act. The usual practice would therefore be to refer the matter back to the Board so that, using its expertise, it could

resolve this objection. However, the applicant argued that this would delay registration of its Mark by at least a year and that this Court should spare it this hardship by ruling on the point forthwith. In view of the rather special circumstances of this case, and in particular the order made by my colleague Hughes J. as a result of which the respondent has for all practical purposes withdrawn from the case, I therefore agree that I will consider this objection on an exceptional basis without having the benefit of the analysis which the Board might have made of it.

[29] First, I note that the respondent did not discharge its initial burden since it did not submit a certified copy of the registrations with which it alleged that the Mark was confusing. The only thing to be found in the record is a copy of the review record (at the opposition stage) and the results of the mark research (at the opposition stage, and in connection with the appeal at bar). However, this deficiency in the evidence seems to the Court to be quite technical, and indeed the applicant conceded this, and it would be improper to dispose of this objection solely on this basis.

[30] On the other hand, I find no difficulty in accepting the substantive arguments made by the applicant in its supplementary memorandum. The latter contended that the respondent had provided no evidence of any use of either of the marks in question. Yet Ms. Long's affidavit extends for eleven volumes and sets out hundreds of food products including drinks and juices on which appear derivatives of the word "fruit" which she found in the course of her visits to eleven grocery stores in the Montréal and Toronto areas. Such a discrepancy is surprising. The Court must therefore conclude that there is a total absence of evidence of three of the points that should be taken into account under subsection 6(5) of the Act for determining whether there is possible confusion,

namely the extent to which the marks cited have become known, the length of time the marks have been in use and the nature of the trade involving the marks.

[31] As regards the degree of resemblance between the marks, they are all made up of a derivative of the word “fruit”, which is common in the food industry in general and in the fruit drink industry in particular. The marks accordingly have a low inherent distinctiveness, and in the circumstances, as was noted in *Kellogg Canada Inc. v. Weetabix of Canada Ltd.*, 2002 FCT 724, (2002), 20 C.P.R. (4th) 17 (F.C.), it is recognized that slight differences may serve to distinguish them. Although I agree that at first sight the words “FRUITÉ” and “FRUTTI” are similar, they nevertheless differ in their spelling and pronunciation as well as in their presentation. Moreover, I feel that the confusion argument might have had greater weight if it had been made by the holder of the mark with which it is alleged that the proposed mark was confusing, rather than by a third party. In any case, I conclude on a balance of probabilities that registration of the Mark “FRUITÉ” is not likely to create confusion with other existing marks. Consequently, I dismiss ground 2(c).

[32] For all these reasons, I allow the applicant’s appeal, reverse the Board’s decision of February 10, 2005, and order the Registrar to proceed to register the mark FRUITÉ concerned in trade mark registration application No. 866595; without costs.

## **JUDGMENT**

### **THE COURT RENDERS THE FOLLOWING JUDGMENT:**

- 1- The appeal is allowed.
- 2- The Board's decision of February 10, 2005 is reversed.
- 3- The Court orders the Trade-marks Registrar to proceed to register the mark FRUITÉ concerned in trade mark registration application No. 866595.

Without costs.

“Yves de Montigny”

---

Judge

Certified true translation

Brian McCordick, Translator

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

DOCKET: T-600-05

STYLE OF CAUSE: Industries Lassonde Inc. v. Sun Pac Foods Ltd.

PLACE OF HEARING: Montréal, Quebec

DATE OF HEARING: May 23, 2006

REASONS FOR JUDGMENT BY: the Honourable Mr. Justice de Montigny

DATE OF REASONS FOR  
JUDGMENT AND JUDGMENT: September 12, 2006

**APPEARANCES:**

Pascal Lauzon FOR THE APPLICANT

No one FOR THE RESPONDENT

**SOLICITORS OF RECORD:**

Pascal Lauzon FOR THE APPLICANT  
Montréal, Quebec

Andrea Long FOR THE RESPONDENT  
Johnston Wassenaar LLP  
Toronto, Ontario