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 June 30
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 July 6
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BETWEEN :
 SUNWAY FRUIT PRODUCTS, INC. } (Opponent)
 APPELLANT;

AND

PRODUCTOS CASEROS, S.A. } (Applicant)
 RESPONDENT.

*Trade Marks—Trade Marks Act, S. of C. 1952-53, c. 49, s. 6—Registrability
 —Confusion—Trade mark of wares sold wholesale confusing with trade
 mark of wares sold retail—"Public" includes only those members of
 public who would probably buy the wares—Trade marks for wares in
 same category—Phonetic similarity between trade marks—State of
 trade marks register.*

This is an appeal from the decision of the Registrar of Trade Marks allowing the registration of the respondent's trade mark "Fresk", on the ground that the said trade mark is confusing with the appellant's already registered trade mark "Freshie" and therefore is not registrable. The trade mark "Fresk" had not been used anywhere in Canada prior to the hearing of the appeal nor had the respondent sold any of its products in Canada up to that time. Affidavit evidence was filed on the appeal in addition to the evidence that was before the Registrar of Trade Marks, and this included affidavits of twenty-one persons interviewed on behalf of the appellant. There was evidence that the respondent sold its product only on a wholesale basis whereas the appellant sold "Freshie" at the retail level.

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Held: That the matter of whether the wares in question were sold at the wholesale or retail level is irrelevant in deciding whether there is or is not confusion.

2. That the source of manufacture of the wares in question would be confused in the mind of the public, i.e. those members of the public who would probably buy these wares.
3. That there has been a substantial inherent distinctiveness established for the trade mark "Freshie" and the product sold on which it is endorsed and that it is substantially known by the public in Canada.
4. That the product marketed by the respondent under the trade mark "Fresk" is in the same category of wares as those sold by the appellant under its trade mark "Freshie".
5. That there is sufficient phonetic similarity between the trade marks "Freshie" and "Fresk" and in the appearance of the wares and the advertising in respect of each of them to confuse the public.
6. That the state of the Register which indicates that there are registered in the office of the Registrar of Trade Marks at least twenty trade marks which have in them the common word "fresh" is not a reason for holding that no confusion exists, since only a few of the already registered trade marks refer to wares of a similar category as the wares for which the appellant has had its trade mark registered.
7. That the appeal is allowed.

APPEAL from a decision of the Registrar of Trade Marks.

The appeal was heard by the Honourable Mr. Justice Gibson at Ottawa.

Donald F. Sim, Q.C. for appellant (opponent).

J. Devenny for respondent (applicant).

The facts and questions of law raised are stated in the reasons for judgment.

GIBSON J. now (July 6, 1964) delivered the following judgment:

This is an appeal by Sunway Fruit Products Inc., from the decision of the Registrar of Trade Marks delivered March 1, 1963, rejecting its opposition to trade mark

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application Serial No. 258,025, whereby the word trade mark of the respondent "FRESK" was registered.

The appellant has two prior registrations, namely, the word trade mark "FRESHIE", numbered NS 167/42703 and the design mark "FRESHIE" trade mark number NS 139/35694, both of which were registered on September 17, 1949. True copies of these registrations were filed on this appeal as exhibits A-1 and A-2.

The appellant contends that both the ware and the design trade mark "FRESHIE" have been used by it in Canada since 1944.

The respondent, on July 21, 1960, applied to the Registrar of Trade Marks to register the trade mark "FRESK", which was for a product which was essentially similar to the product manufactured in Canada by the appellant.

This application was considered by the Registrar of Trade Marks and on November 7, 1960, the Registrar by notice informed the respondent that this application was confusing with the registered trade mark "FRESHIE" (and also the trade mark "FRESH UP", owned by another company not a party to these proceedings). The solicitors for the respondent replied to these notices from the Registrar but on January 19, 1961, the Registrar of Trade Marks decided that the said trade mark "FRESHIE" and the said trade mark "FRESH UP" being applied to the same general class of wares as was the application of the respondent, was sufficiently close in pronunciation to promote a possible confusion within the meaning of s. 6 of the *Trade Marks Act* and, therefore, because of s. 12(1)(d) of that Act the mark of the respondent was not registerable.

The solicitors for the respondent filed a reply to this decision of the Registrar on March 17, 1961, and the Registrar in May, 1961, sent a notice to the solicitors for the appellant informing them that he had advertised pursuant to the provisions of s. 36(3) of the *Trade Marks Act*.

The appellant then filed with the Registrar on July 4, 1961, its opposition submitting to the Registrar that in their opinion the trade mark of the respondent was not registerable because it was confusing within the meaning of s. 12(1)(d) of the *Trade Marks Act* with the trade marks registered by the appellant under numbers NS 167/42703:

and NS 139/35694 being respectively the word mark "FRESHIE", and the design mark for "FRESHIE".

On August 28, 1961, the respondent filed with the Registrar of Trade Marks its counterstatement submitting that the proposed trade mark "FRESK" was not confusing within the meaning of s. 12(1)(d) of the *Trade Marks Act* with "FRESHIE" and the "FRESHIE" design; that there was an inherent distinction in the trade marks; that there was no substantial degree of resemblance between the sound and suggested idea in the two marks; and that the nature of the wares of the respondent was different from those of the appellant.

The appellant then filed with the Registrar of Trade Marks an affidavit of one Daniel O. Haskell, which was sworn to on November 24, 1961, which deposed, among other things, that no product of "FRESK" had been sold in Canada up to that time and that, on the contrary, the sales and advertising of the appellant's product "FRESHIE" were most substantial and widespread in Canada. The respondent then filed an affidavit of one Hector J. Arena, which was sworn to on February 9, 1962, in Mexico City. This affiant deposed that the company Productos Caseros, S.A., which was the applicant, had carried on business since April 10, 1958, as manufacturers of preparations for use in making drinks and confectionery; that the applicants had adopted their trade mark in 1957 and have been using the said trade mark continuously since that time in respect to base preparations for use in the manufacture of flavored carbonated and non-carbonated beverages, ice powders, sherbets, ice creams, etc.; that the word "FRESK" is coined and distinctive and does not have any meaning in any language and is not a phonetic equivalent of the Spanish word "fresca" and is not a confusing pronunciation or connotation of the word "fresh"; and that the product "FRESHIE" was sold in a different market than its product, the general consumer public market whereas the applicant sells its "FRESK" product in a completely different market, selling the same in larger sized units through completely different channels of trade, namely, to large manufacturers of food, drink or confectioneries who do not buy casually or on impulse but who are very discriminating in their purchases and exercise care in distinguishing the source of such

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products in view of the large units; and that "most important in view of the different methods of merchandising the wares sold under the trade mark through completely different channels of trade, there should be no confusion between "FRESK" and "FRESHIE" trade marks."

Subsequently to that, there was an oral hearing before the Registrar following which the Registrar registered the trade mark "FRESK" of the respondent.

It is from this decision that the appellant appeals to this Court.

There was filed in this Court as additional evidence a number of affidavits. For the appellant there was filed the affidavit of Daniel J. Haskell, sworn September 23, 1963, the affidavit of C. Robert Folz, sworn February 24, 1964, and the affidavit of Jeremy Clive Forester, sworn February 25, 1962, and twenty-one affidavits from individuals in the Sarnia and Windsor, Ontario, and Montreal, Quebec, areas who were housewives or purchasers of merchandise in supermarkets, except one who was a customs inspector.

There was filed on behalf of the respondent an affidavit of Peter Laur Beck, barrister, sworn on March 16, 1964, which, among other things, attached copies of letters sent to the owners of other trade marks having the common word "fresh" in them and which asked the owners if their respective marks were still being used; the affidavit of Hector J. Arena, sworn on April 14, 1964, in Mexico, which deposed that the product of the respondent was not sold to housewives or other casual grocery shoppers in supermarkets but only to large scale users and manufacturers in relatively large sized units and that "FRESK" was not sold to the public in general.

The particulars of the trade mark of "FRESK" and "FRESHIE" are as follows:

"FRESK"—a base for making flavoured carbonated or non-carbonated beverages, ice pops, sherbets, ice cream, ices, in the form of powder tablets or capsules.

"FRESHIE"—dehydrated fruit crystals and dehydrated preparations for making beverages and dessert mix.

The sole question to be decided on this appeal is whether use of the "FRESK" trade mark would cause confusion with the trade mark "FRESHIE" in the manner and circumstances described in s. 6 of the *Trade Marks Act*, S. of C. 1952-3, c. 49.

In Halsbury's Laws of England, Third Edition, Volume 38, at page 545, the matter is put in this way:

The scope of the inquiry into the possibility of confusion where one mark is already registered involves consideration of any possible user by the registered proprietor and is, therefore, wider than that under the more general prohibition of registration of similar marks where both marks may be unregistered. . . . In general only the probability of confusion in this country will be considered.

There is one difficulty in the subject case which makes it difficult to adduce completely satisfactory evidence on the issue of confusion and it is the fact that only one of the marks has been used in Canada, namely, the trade mark "FRESHIE". The trade mark "FRESK" has not been used at all in Canada, and the respondent has not sold any of its products in Canada up to the present time.

For this reason, speaking generally, it should be observed that much of the evidence which was before the Registrar of Trade Marks and also much of the evidence which was filed in the way of affidavits on this appeal as additional evidence, is not as cogent as would be desired by the parties.

It is difficult to get direct evidence of confusion in such circumstances as exist here. Witnesses, therefore, can only give evidence as to their state of mind, and, therefore, the probative value of such evidence is less than that of direct evidence.

One other comment should also be made about certain of the evidence filed as supplementary on this appeal, namely, that some of it is hearsay and, therefore, inadmissible. To the extent it is hearsay, I am paying no attention to it in arriving at the decision that I do.

The affidavit of Jeremy Clive Forester establishes that the word "FRESK" is not derived from the Spanish word "fresca", which is an English synonym of the word "fresh".

The affidavit of Daniel J. Haskell and the twenty-one affidavits of the persons interviewed, in my opinion, do establish confusion of the trade mark "FRESK" with the trade mark "FRESHIE" if the use of both these trade marks were in connection with the same category of wares.

I am also of the opinion that the matter of whether the wares were sold at a wholesale or retail level is irrelevant in deciding whether there is or is not confusion within the meaning of s. 6 of the Act. In my view, in this case, the source of manufacture would be confused in the mind of the

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public, that is those members of the public who would probably buy these wares, such members having, as would be expected, at the material times, only a vague recollection of the precise mark.

From the evidence adduced, which shows a wide sale of the product "FRESHIE" over a period of a considerable number of years, which sales have been built up through extensive advertising in most mediums, I find that there has been a substantial inherent distinctiveness established for this trade mark and the product sold on which it is endorsed, and that the same is substantially known by the public in Canada. I am also of the opinion that the product which the owners of the trade mark "FRESK" are referring to in their trade mark is essentially in the same category of wares sold by "FRESHIE" under its trade mark and that there is sufficient phonetic similarity between these names and in the appearance and the advertising in respect of each of them when applied to their respective goods to confuse the public.

The public to which reference is made are the persons who would reasonably be expected to purchase the product "FRESHIE" or the product "FRESK" and it is their judgment which is the objective test applied in this determination on the evidence of whether or not there is confusion within the meaning of s. 6 of the Act.

I am also of the opinion that the state of the Register is not a reason for holding that no such confusion exists in this case.

It is true that there are registered in the office of the Registrar of Trade Marks at least twenty trade marks which have in them a common word "fresh". Only a relatively few of these, however, refer to wares of a similar category as the wares for which the appellant has had its trade mark registered.

It may be that because of the state of the Register the appellant may be confined or restricted to its present category of wares which it manufactures or sells.

In summary, therefore, I am of opinion that on a reading and consideration of the whole of the evidence that there is a probability of confusion within the meaning of s. 6 of the *Trade Marks Act* of "FRESK" with "FRESHIE".

I am further of the view that in arriving at this conclusion no hardship results to the respondent. The respondent has

sold no products in Canada, and can easily obtain another non-confusing mark to use in marketing its products in Canada when it decides to so market them.

In the result, therefore, the appeal is allowed and the registration of the trade mark application Serial No. 258025 is rejected and the decision of the learned Registrar of Trade Marks in this matter is reversed. The appellant is entitled to its costs.

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Judgment accordingly.