

Federal Court



Cour fédérale

**Date: 20200505**

**Docket: T-1736-18**

**Citation: 2020 FC 586**

**Ottawa, Ontario, May 5, 2020**

**PRESENT: The Honourable Madam Justice Fuhrer**

**BETWEEN:**

**OBSIDIAN GROUP INC.**

**Applicant**

**and**

**ATTORNEY GENERAL OF CANADA**

**Respondent**

**JUDGMENT AND REASONS**

**I. Introduction**

[1] The Applicant, Obsidian Group Inc. [Obsidian or Applicant] has appealed the August 1, 2018 decision [Decision] of the Registrar of Trademarks [Registrar], under section 56 of the Trademarks Act, RSC 1985, c T-13 [TMA]. The Registrar refused trademark application No. 1689088 [‘088 Application] because she found the applied for trademark FREDDO [Applied For Mark] [for coffee/tea-related goods, jewellery/other merchandise-related goods, and

restaurant/franchise-related services] confusing with the registered trademarks FREDDA, registration No. TMA284310 [for “carbonated and non-carbonated non-alcoholic beverages”] and FREDDO, registration No. TMA520143 [for “ice-creams” and “operation of ice-cream shops”] [collectively, Cited Marks or Cited Registrations]. She therefore concluded the Applied For Mark was not registrable under TMA s 12(1)(d) and refused the ‘088 Application, pursuant to TMA s 37(1)(b).

[2] The Respondent, the Attorney General of Canada [AG or Respondent] participated only to assist the Court with legal issues raised by this appeal, and the AG alleges no particular interest in the outcome. The AG advocates for this Court finding, however, “the classes of the Nice Classification have no relevance when assessing confusion between two trademarks under the TMA”. On a plain reading of TMA s 6(2), as it now reads [since June 17, 2019, as discussed below], I agree.

[3] For the reasons that follow, I dismiss the appeal.

## II. Preliminary Issue Regarding Relief Sought

[4] Obsidian has requested an Order:

- (a) setting aside the Decision, and
- (b) directing the Registrar to allow the ‘088 Application, pursuant to TMA s 39(1).

[5] The AG objects to the relief sought by Obsidian, allowance of the ‘088 Application, because the Registrar must advertise an approved application pursuant to TMA s 37(1),

providing an opportunity for third parties to oppose it, before she can allow the application pursuant to TMA s 39(1) [now TMA s 40]. The AG claims the Applicant seeks to circumvent the advertisement and opposition process [embodied in TMA s 38], but the AG provides no evidence in support of this allegation. I note Obsidian filed its record on February 21, 2019, before substantial amendments to the TMA came into force on June 17, 2019. The previous and current versions of these sections are reproduced below in Annex “A”. Because the ‘088 Application has not been advertised yet, it is subject to the TMA as amended on June 17, 2019: s TMA 69.1.

[6] I agree this Court should not grant the relief sought. I note, however, the Applicant did not request “further and other relief”. That said, at the hearing of this matter, Obsidian’s counsel agreed that Obsidian is seeking advertisement of the Applied For Mark. Having regard to Rule 55 of *Federal Courts Rules*, SOR/98-106 [FCR], I therefore proceed with the disposition of this matter as though the Notice of Application were amended to seek advertisement of the ‘088 Application pursuant to TMA s 37(1).

### III. Background

[7] On August 11, 2014, Obsidian filed the ‘088 Application seeking registration of the Applied For Mark. The trademarks examiner [Examiner] objected to the registrability of the Applied For Mark on the basis of TMA s 12(1)(d), asserting confusion with the following registered trademarks: FREDDA, registration No. TMA284310; FREDDA, registration No. TMA334076 [FREDDA II]; and FREDDO, registration No. TMA520143. The registration for FREDDA II was expunged on June 28, 2018, and the Registrar withdrew the registrability objection in relation to that Cited Mark in the Decision. The table below summarizes the relevant

trademarks, including the Cited Marks, and their associated goods and services [with Roman numeral II added to distinguish two of the marks from other identical marks; for clarity, the Roman numeral does not form part of the registered mark *per se*].

<b>Mark, Application or Registration Number &amp; Owner</b>	<b>Goods</b>	<b>Services</b>
<p><b>FREDDO</b> Application No. 1689088 Obsidian Group Inc.</p>	<p>(1) Beverages, namely, ground and whole bean coffee, cocoa, tea and herbal tea, coffee, cocoa and non-alcoholic espresso beverages and non-alcoholic beverages made with a base of coffee and/or espresso, ready to drink coffee. (2) Jewellery, namely, decorative pins, tie pins, lapel pins; posters, post cards, stationery, namely, letters and envelopes; drinking glasses, mugs, jugs; banners and flags; clothing; namely, hats, caps, golf shirts, shirts, T-shirts, sweat shirts, shorts, jackets, belts and sun visors.</p>	<p>(1) Services of operating a restaurant. (2) Franchise services, namely, consulting maintaining, supervising and offering assistance in the establishment and/or operation of restaurants and outlets including take-out and catering services.</p>
<p><b>FREDDA</b> Registration No. TMA284310 Party Beverages Limited</p>	<p>(1) Carbonated and non-carbonated non-alcoholic beverages.</p>	
<p><b>*FREDDA II</b> Registration No. TMA334076 Party Beverages Limited  *As defined above.</p>	<p>(1) Carbonated and non-carbonated non-alcoholic soft drinks, soda water and mineral water.</p>	
<p><b>FREDDO</b></p>	<p>(1) Ice-creams.</p>	<p>(1) Operation of ice-cream shops.</p>

Registration No. TMA520143 Freddo S.A.		
<b>FREDDO II</b> Registration No. TMA601964 Les Chocolats Vadeboncoeur Inc.	(1) Friandises, nommément des chocolats.	

[8] Obsidian responded to the Examiner's objections with similar arguments to those raised on appeal. It claimed, among other things: (1) the nature of the goods and services are different as between the '088 Application and the Cited Registrations; (2) the channels of trade are different as between the '088 Application and the Cited Registrations; (3) the appearance, sound, and ideas suggested by the Applied For Mark are different than FREDDA; and (4) the Applied For Mark is registrable based on the state of the register.

[9] The Examiner issued three Examiner's Reports, culminating in the Registrar's refusal of the '088 Application on August 1, 2018, also finding confusion with the Cited Registrations.

A. *Decision Under Review*

[10] Referencing TMA s 6(2), the Registrar first noted "[t]he test for confusion is one of first impression and imperfect recollection and based on the vague or imperfect recollection of the ordinary consumer or purchaser of the goods or services," having regard to all the surrounding circumstances, including the factors listed in TMA s 6(5). The Registrar further noted the weighting of the TMA s 6(5) factors may be variable, depending on the circumstances [citing *Bally Schuhfabriken AG/Bally's Shoe Factory Ltd v Big Blue Jeans Ltd/Ltée* (1992), 41 CPR (3d)

205 (FCT); *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1987), 14 CPR (3d) 133 (FCT), rev'd on other grounds (1992), 43 CPR (3d) 349 (FCA)]. In particular, “the degree of resemblance is the factor [...] likely to have the greatest effect on the [confusion] analysis,” [citing *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC)].

(1) FREDDA [Registration No. TMA284310]

[11] The Registrar found the goods associated with FREDDA [“carbonated and non-carbonated non-alcoholic beverages”] could reasonably encompass the coffee-related goods associated with the Applied For Mark. Noting “there is no restriction or limitation on the nature of the channels of trade through which the goods of the cited registrations and the subject application would be offered,” the Registrar found the predictable and usual channels of trade for goods offered by FREDDA and the Applied For Mark are identical. Use of the two marks in the same area for “goods that could be identical” would likely lead to the inference that the goods emanate from the same source.

[12] The Registrar also found FREDDA to be “highly similar to [the Applied For Mark] in terms of appearance, sound and idea suggested”. Referencing *Conde Nast Publications Inc v Union Des Editions Modernes* (1979), 46 CPR (2d) 183 (FCT) [*Conde Nast*], the Registrar noted the first portion of a trademark is the most important for the purpose of distinction. In this case, the difference between the masculine suffix “O” and the feminine suffix “A” “[did] not suffice to avoid the resemblance in terms of appearance, sound and idea suggested”. She therefore reiterated FREDDA and the Applied For Mark suggest highly similar ideas and were similar visually and phonetically. In the course of arriving at this finding, the Registrar stated [bold

emphasis added]: “FREDDO appears to have appropriated the cited trademark FREDDA **in its entirety** and substituted the letter A by the letter O”. Though I find this statement questionable, in my view the Registrar’s finding about highly similar ideas, and visual and phonetic similarity, does not turn on it.

[13] Finally, the Registrar rejected the Applicant’s submissions about the co-existence of FREDDA, FREDDO, and FREDDO II on the register, as the goods and services for these Cited Marks differ. By contrast, FREDDA and FREDDO “offer highly similar goods or services that could be identical” to those offered by the Applied For Mark, through identical channels of trade. As such, the Registrar found the Applied For Mark confusing with FREDDA.

(2) FREDDO [Registration No. TMA520143]

[14] The Registrar next found the word FREDDO “has no known meaning in English or in French, it is not the name of the goods or services in any language, and it is not an ordinary common word in everyday use in either of the English or French languages”. Relying on *General Motors Corp v Bellows* (1947), 7 CPR 1 (Ex Ch Ct), aff’d (1949), 10 CPR 101 (SCC), the Registrar held “[i]t is well established that a trade mark consisting of a striking inventive name or an original design is considered to be inherently distinctive and is entitled to a wider ambit of protection”.

[15] The Registrar also found the services listed in the ‘088 Application were similar enough to “operation of ice-cream shops” for FREDDO, such that “the average consumer would think they come from the same source,” and that use of the Applied For Mark and FREDDO in the

same area would lead to confusion. The Registrar therefore refused the Application pursuant to TMA s 37(1)(b).

B. *Applicant's New Evidence*

[16] Pursuant to TMA s 56(5), [t]he Applicant submitted three affidavits on this appeal:

- (a) the Affidavit of Peter Karamountzos, sworn November 8, 2018 [Karamountzos Affidavit];
- (b) the Affidavit of Sina Giugno, sworn November 12, 2018 [Giugno Affidavit]; and
- (c) the Supplementary Affidavit of Sina Giugno, sworn February 21, 2019 [Supplementary Giugno Affidavit].

[17] The Respondent did not cross-examine any of these affiants.

- (1) Karamountzos Affidavit

[18] Peter Karamountzos is the Vice President of Obsidian responsible for the management and operation of the Coffee Culture chain of coffee shops. He has been “extensively engaged in the coffee business since about 2006,” and his responsibilities include “the supply and development of coffee blends and recipes for Obsidian Group Inc.’s restaurants” and “the management of forty (40) Coffee Culture franchise establishments”. Exhibit “A” to his affidavit includes examples of Obsidian’s use of the Applied For Mark, including “on menu boards, take-out menus, and in [...] advertising and promotion” for Coffee Culture establishments.

[19] He opines the phrase “carbonated and non-carbonated non-alcoholic beverages” refers to soft drinks and is “never used to refer to coffee”. He also explains the nature of goods and



channels of trade for soft drinks, on the one hand, and coffee beverages, on the other. He further opines, “a coffee consumer would not consider a soft drink to be a substitute for a coffee beverage”.

(2) Giugno Affidavit

[20] Sina Giugno is a Law Clerk at SISKINDS LLP, formerly Anissimoff & Associates, who has approximately 20 years experience conducting trademark searches through the Canadian Intellectual Property Office [CIPO] website. She attaches the following evidence to her affidavit:

- Exhibit “A”: a copy of registration Nos. TMA284310, TMA520143 and TMA601964, for FREDDA, FREDDO and FREDDO II, respectively.
- Exhibit “B”: search results from the CIPO trademarks database for active trademark applications and registrations containing the exact single word “FRED” in association with goods and services in all classes; this search uncovered 43 references. I note the Applicant did not provide printouts of the references, nor any analysis of the search results.
- Exhibit “C”: search results for active trademark applications and registrations containing variations of the word “FRED” in association with all goods and services; this search uncovered 104 references. Similarly, no printouts of the references were provided, nor any analysis of the search results.
- Exhibit “D”: excerpts from the Nice Classification explanatory notes on the World Intellectual Property Organization website—specifically for Classes 30 and 32, which both contain “non-alcoholic beverages”. For the reasons provided below in connection with the Supplementary Giugno Affidavit, in my view, this information is not relevant in this case.
- Exhibit “E”: search results for active trademark applications and registrations “which contain or describe ‘coffee’ goods and/or other type [sic] of drinks separately and differently in the goods description”. This search uncovered 4262 references, and so she provides the first 9 pages of results and 15 samples of these references.
- Exhibit “F”: search results for active trademark applications and registrations “which contain or describe ‘ice cream’ goods and ‘chocolate’ separately and differently in the goods description”. The search uncovered 1522 references, and so she provides the first 9 pages of results and 15 samples of these references.

- Exhibit “G”: search results for “freddo” and “fredda” from the websites “www.dictionary.com” and “www.dictionary-fr.com”, with no findings.
- Exhibit “H”: search results for “fred” from “www.dictionary.com” and “www.dictionary-fr.com”, finding the meaning in English is “a male given name, form of Frederick,” and there is no meaning in French.
- Exhibit “I”: a translation of the word “freddo” from the Google Translate website, showing the word is Italian and translates to “cold” in English. From “www.wikitionary.com”, “fredda” is described as the “feminine singular of freddo”.

[21] Ms. Giugno explains she conducted Google searches for “FREDDA” in association with either the registrant or current owner of registration No. TMA284310, and for “FREDDO” in association with either the registrant or current owner of registration No. TMA284310 [*sic*; presumably Ms. Giugno meant registration No. TMA520143], and both searches returned no results.

[22] Finally, in her experience filing trademark applications with CIPO, Ms. Giugno opines she would never describe “coffee” as a “carbonated and non-carbonated non-alcoholic beverage”.

(3) Supplementary Giugno Affidavit

[23] Ms. Giugno’s supplementary affidavit provides additional information with respect to Nice Agreement classes applicable to the ‘088 Application and to the registrations for FREDDA, FREDDO and FREDDO II. She states that CIPO has begun to use the Nice Classification system for new applications, and to assign and categorize goods and services for existing applications and registrations, in connection with Canada’s amendments to its trademark regime. In my view, this evidence is incomplete. In any event, it is irrelevant to the confusion analysis in this case,

having regard to TMA s 6(2) as it now reads [as of June 17, 2019]. The evidence is incomplete because the Applicant provides no explanation or analysis of the “Classification data Disclaimer” that appears on the particulars for the ‘088 Application and the registrations for FREDDA, FREDDO and FREDDO II. The Disclaimer on each document states, in part: “CIPO does not warrant the accuracy of the classes assigned to the trademark. This data has no legal value of any kind”. For the purposes of this appeal, these Nice Classifications are neither reliable nor probative evidence about the similarity or differences between goods and services, even if the Court were to consider them. Moreover, it is self-evident from the copies of the Cited Registrations attached to the February 16, 2015 Examiner’s Report [Exhibit E to the Supplementary Giugno Affidavit] that no classification of any kind was assigned to the Cited Registrations at that point in time. I therefore attach no weight to and will disregard this evidence.

[24] That said, the Supplementary Giugno Affidavit also describes Exhibit “F” as a copy of trademark registration No. TMA830249 for FRED. This reference also is in the search results, attached as Exhibit “B” to the Giugno Affidavit, as application No. 1381447 for FRED. Absent a certified copy of such registration, this Court is not in a position to confirm the registration exists as described, as the Court does not have access to “any document in the official custody of the Registrar”: TMA s 54. I note, for example, CIPO submitted a certified copy of the file history for the ‘088 Application in connection with this appeal, pursuant to FCR Rule 317. Regardless, as discussed below, I find this reference has limited probative value.

IV. Issues

[25] This appeal raises the following issues:

- A. What is the applicable standard of review, having regard to the Applicant's new evidence?
- B. If the standard of review entitles the Applicant to a *de novo* hearing, is the Applied For Mark registrable pursuant to TMA s 12(1)(d)?
- C. Otherwise, does the Registrar's decision withstand scrutiny under the applicable standard of review?

V. Analysis

A. *Applicable Standard of Review*

[26] Where there is a statutory right of appeal, an appellate standard of review applies:

*Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 [Vavilov] paras 36-37 [citing *Housen v Nikolaisen*, 2002 SCC 33, [2002] 2 SCR 235 [Housen]]. *Vavilov* does not displace the previous jurisprudence regarding new evidence filed with the Federal Court on appeal from a decision of the Registrar, but rather necessitates an adjustment: *The Clorox Company of Canada, Ltd. v Chloretec SEC*, 2020 FCA 76 at paras 20-23.

[27] As noted, TMA s 56(5) permits the Applicant to file new evidence in this Court that was not before the Registrar. Such evidence will trigger a *de novo* review if it is "sufficiently substantial and significant[; ...] evidence that merely supplements or repeats existing evidence will not surpass this threshold": *Scott Paper Limited v Georgia-Pacific Consumer Products LP*, 2010 FC 478 [Scott Paper] at paras 48-49. The test is not whether the new evidence would have

changed the Registrar’s mind, but rather whether it would have a material effect on the decision: *Scott Paper*, above, at para 49. In that regard, quality, not quantity, is key: *Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707 at para 27. In sum, “the Court must assess the quality, not quantity, of the [new] evidence – considering its nature, significance, probative value, and reliability – to determine whether the evidence adds something of significance,” and hence, whether it would have affected the Registrar’s decision materially: *Advance Magazine Publishers, Inc v Banff Lake Louise Tourism Bureau*, 2018 FC 108 at para 16, citing *Illico Communication Inc v Norton Rose SENCRL*, 2015 FC 165 at para 26 [*Illico Communications*]; *Mcdowell v The Body Shop International PLC*, 2017 FC 581 at para 11.

[28] Under *Vavilov*, the Court conducting an appeal from the Registrar will assess questions of law according to the correctness standard, while it will assess questions of fact and mixed fact and law [where the legal principle is not readily extricable] for any palpable and overriding error. Guidance on identifying, palpable and overriding errors can be found in *Mahjoub v Canada (Citizenship and Immigration)*, 2017 FCA 157 [*Mahjoub*] at paras 61-70. Where new material evidence is filed, the correctness standard contemplated by TMA s 56(5) and applicable jurisprudence still permits this Court to conduct a *de novo* analysis in respect of the relevant issue[s]—whether questions of law, mixed fact and law, or fact—according no deference to the conclusion[s] of the underlying decision-maker.

[29] Accordingly, I must assess the nature, significance, probative value, and reliability of the Obsidian’s new evidence, in the context of the record, and determine whether it would have enhanced or otherwise clarified the record in a way that might have influenced the Registrar’s

conclusions on a finding of fact or exercise of discretion, had it been available at the time of the Decision: *Seara Alimentos Ltda v Amira Enterprises Inc*, 2019 FCA 63 at paras 23-26.

[30] Regarding the Karamountzos Affidavit, it discusses and compares the nature of goods and channels of trade for coffee goods and soft drinks. In my view, this evidence is substantially similar to information Obsidian submitted to the Registrar throughout prosecution of the '088 Application, during which the Registrar rejected arguments attempting to highlight such differences. For example, the November 9, 2015 Examiner's Report states the following [bold emphasis added]: "[...] the goods [...] 'carbonated and non-carbonated non-alcoholic beverages' [as described in the registration for FREDDA] could reasonably encompass all of the following goods contained in the subject application namely 'beverages, namely, ground and whole bean coffee, cocoa, tea, herbal tea, coffee, cocoa and non-alcoholic espresso beverages and **non-alcoholic beverages** made with a base of coffee and/or espresso, ready to drink coffee'". I note the FREDDA registration is not restricted in terms of the types of carbonated and non-carbonated non-alcoholic beverages, and the applicable channels of trade. I further note the Applicant's own use of the term "non-alcoholic beverages" to describe its coffee goods.

[31] Moreover, I believe additional details about the preparation of coffee goods versus the preparation of soft drinks, and their respective channels of trade, would not have affected the Registrar's decision materially. First, the Registrar refused to find the goods associated with FREDDA were only soft drinks, although the Applicant urged her to do so. Second, the Registrar found the predictable and usual channels of trade for goods associated with FREDDA and the Applied For Mark are identical, based on the conclusion that the goods associated with

FREDDA could be more than soft drinks. As the AG noted, the Karamountzos Affidavit actually confirms the latter conclusion, since Coffee Culture shops sell both coffee beverages and soft drinks. Overall, the Karamountzos Affidavit merely repeats or supplements evidence already before the Registrar and does not enhance its cogency: *Telus Corporation v Orange Personal Communications Services Limited*, 2005 FC 590 at para 33. In my view, therefore, this evidence does not warrant a *de novo* hearing.

[32] Regarding the Giugno affidavits, Exhibits “B” and “C” to the Giugno Affidavit, and Exhibit “F” to the Supplementary Giugno Affidavit, comprise search results and an application for marks that include the exact single word FRED or variations of the word FRED. While the file history for the ‘088 Application does not contain an extensive trademarks search, it contains a summary of nine references. Most of the references include variations of the term FREDD, but one exception is ALFREDO, registration No. TMA479506, which contains the term FRED. This reference suggests the evidence set out in the Giugno Affidavit is not new. Moreover, absent evidence of the specific goods and/or services associated with the references located in the search, this Court cannot assess the probative value of the search results. The listing of the Nice Classes in the search results, without any indication of the applicable goods and/or services, is insufficient for this purpose.

[33] Similarly, Exhibits “E” and “F” to the Giugno Affidavit comprise search results for marks that describe coffee separately and differently than other drinks, or that describe ice cream separately and differently than chocolate. The above-mentioned nine references in the file history for the ‘088 Application contain bolded phrases such as “alcoholic beverages”, “drinks”,

“drinking”, “coffee”, and “cocoa”. Although the phrases “chocolate” or “ice-cream” are not bolded, I find the information in Exhibit “F” would not have affected the Decision materially, as the Registrar concluded that the goods associated with FREDDO [ice creams] and FREDDO II [des chocolats] were not highly similar.

[34] Exhibits “G” and “I” to the Giugno Affidavit contain the English and French meanings of “freddo” and “fredda”, as well as the Italian translation of “freddo”. Either the Applicant presented this information to the Examiner during prosecution [i.e. the Applicant’s August 12, 2015 response to the February 16, 2015 Examiner’s Report], or it was known to the Examiner [i.e. the November 9, 2015 and June 30, 2016 Examiner’s Reports]; therefore, it is not new.

[35] Although the definition of “fred” [Exhibit “H” to the Giugno Affidavit] was not discussed explicitly during prosecution, this would not have affected the Registrar’s conclusion materially. Similar to ALFREDO, one of the nine references summarized in the file history, FRED is a given name. Discussion about pronunciation in the November 9, 2015 and June 30, 2016 Examiner’s Reports demonstrates the Registrar considered whether FREDDO or FREDDA would be pronounced like a name, and she rejected this argument. In any event, the Applied For Mark is FREDDO, not FRED, and Exhibit “H” to the Giugno Affidavit shows FRED to be a derivative of the name “Frederick”. The Applicant submitted no evidence to the effect that FRED also could be construed as a derivative of FREDDO.

[36] I also find Exhibits “A” to “D” of the Supplementary Giugno Affidavit and Exhibit “D” to the Giugno Affidavit, which concern the Nice Classifications, are not relevant and thus would



not have affected the Decision materially. The TMA expressly excludes Nice Classification from the confusion analysis in TMA s 6(2), especially when interpreted in light of Canada's international obligations. Both the CPTPP and Singapore Treaty require member states to specify in their domestic legislation that Nice Classifications are not grounds to consider goods or services similar or dissimilar: see *Comprehensive and Progressive Agreement for Trans-Pacific Partnership*, Canada, Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam, 8 March 2018, art 18.25 (entered into force 30 December 2018) [CPTPP]; *Singapore Treaty on the Law of Trademarks*, 27 March 2006, art 9 (entered into force 15 March 2009) [Singapore Treaty].

[37] In sum, none of the Applicant's "new" evidence justifies a *de novo* hearing; thus, the Decision is subject to the palpable and overriding error standard of review set out in *Housen* and expounded in *Mahjoub*. As the palpable and overriding error standard is deferential, I am not persuaded the Registrar made any such error.

#### B. *De Novo Hearing*

[38] In light of my finding on the standard of review, I need not consider this issue.

#### C. *Alleged Palpable and Overriding Errors*

[39] The Applicant submits the Registrar made the following errors, with which I disagree, as indicated below each of the Applicant's points:

- 1. The Applicant asserts FREDDO is a variation of "Fred", it is not a "striking inventive name", and it is not associated with an "original design".**

[40] As I mentioned above, the Applicant submitted no evidence in support of the assertion that FRED is a derivative of FREDDO, the latter being the Applied For Mark and one of the Cited Marks. Even acknowledging the word FREDDO is not invented, because it is a word in Italian, the Registrar properly focused on its lack of ordinary common use in Canada in determining that FREDDO has a high degree of inherent distinctiveness: see *Gula v B Manischewitz Co*, [1948] 4 DLR 581 at 585 (per Estey J), 589 (per Kellock J) (SCC). In justifying this conclusion, the Registrar noted: “[...] FREDDO has no known meaning in English or in French, it is not the name of the goods or services in any language, and it is not an ordinary common word in everyday use in either of the English or French languages [sic]”. I find no palpable or overriding error in this analysis.

- 2. Regarding the nature of the goods associated with FREDDA and the ‘088 Application, the Applicant emphasizes the word “could” is “notoriously imprecise and does not offer a factual or logical basis for a conclusion”. The Registrar’s logic, it asserts, suggests coffee goods “could” be “carbonated non-alcoholic beverages”.**

[41] As I noted above, the goods of the FREDDA registration are not restricted in terms of types of carbonated and non-carbonated non-alcoholic beverages, nor the applicable channels of trade. I see no palpable or overriding error in the Registrar’s conclusion that coffee goods fall within the scope of the FREDDA registration.

- 3. Similarly, it claims the finding that coffee goods and soft drinks could be identical “is not logical” and the Registrar did not analyze “the obvious differences between the goods”.**

[42] Contrary to the Applicant’s assertion, the goods of the FREDDA registration are not “soft drinks” but rather “carbonated and non-carbonated non-alcoholic beverages”. Even if the trademark owner sold only soft drinks in its actual course of trade [although no evidence has

been submitted to support such an assertion], the Court must nonetheless assess confusion according to the goods as listed in the registration, which delineates the parameters of the usage it protects: see *Mr. Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA) at 12; *Imasco Retail Inc v Purity Life Health Products* (1990), 34 CPR (3d) 113 (TMOB) at 120, as cited in the June 30, 2016 Examiner's Report.

- 4. In comparing the nature of goods and services associated with FREDDO and the '088 Application, the Registrar does not explain the term "highly similar goods," nor the services that could be identical; the differences between restaurant services and ice cream shop are not analyzed.**

[43] I see no palpable and overriding error in the way the Registrar applied the test for confusion, which was described accurately at the outset of the Decision. The Registrar noted:

[...] [T]he services of the ['088 Application], namely, "services of operating a restaurant; franchise services, namely, consulting, maintaining, supervising and offering assistance in the establishment and/or operation of restaurants and outlets including take-out and catering services" and the services [of FREDDO, namely,] "operation of ice-cream shops" [,] are similar enough that the average consumer would think they come from the same source. I consider that use of the subject application and the registered trademark in the same area would be likely to cause the average consumer of average intelligence and imperfect recollection to think that the services of both FREDDO trademarks emanate from the same source.

[44] While the similarity, or dissimilarity, of the applicable goods/services is a factor to be taken into account, the ultimate issue is the likelihood of source confusion, as noted by the Registrar.

- 5. The Registrar did not explain how it understood the predictable and usual channels for the goods associated with FREDDA and the '088 Application, and why the channels for coffee goods and soft drinks would be identical.**

[45] Again, the goods of the FREDDA registration are not “soft drinks” but rather “carbonated and non-carbonated non-alcoholic beverages”. In my view, the Registrar adequately explained how coffee related goods could fall within this broader description. I find no palpable or overriding error in the Registrar’s reasoning regarding the channels of trade, finding: “[...] there is no restriction or limitation on the nature of the channels of trade through which the goods of the cited registrations and the subject application would be offered”.

6. **The Registrar’s finding that the ‘088 Application and Cited Registrations “offer similar goods and services [...] provided through identical channels of trade,” is not supported by facts or analysis. The Applicant submits there is no identity between the nature of goods or services, and “identical channels of trade is not explained”.**

[46] I disagree for the reasons provided under points 3 and 5 above. Moreover, Obsidian’s own evidence submitted on appeal, the Karamountzos Affidavit, confirms the channels of trade could be identical, since Coffee Culture shops sell both coffee beverages and soft drinks.

7. **Regarding the degree of resemblance between the ‘088 Application and the Cited Registrations, the Applicant insists the Registrar failed to analyze the similarity between all Fred-type marks—including FREDDO for ice-creams, FREDDO II for chocolates, and FRED for drinking waters.**

[47] The Registrar assessed the likelihood of confusion between the Applied For Mark and the registered trademarks that she found were closest to it, rather than all possible confusing marks. FRED [registration No. TMA830249] was neither cited by the Registrar, nor raised by the Applicant during prosecution. Furthermore, the Registrar stated expressly: “The applicant’s submission about the coexistence of the trademarks FREDDA and FREDDO, and FREDDO for chocolates and FREDDO for ice-cream have been considered”. The Registrar did not need to note the Applied For Mark’s similarity with all Fred-type marks, as that similarity would not

have affected the similarity between the Applied For Mark and Cited Registrations, for the reasons provided below under point 8.

- 8. The Applicant challenges the Registrar’s conclusion that the coexistence of the Cited Registrations, as well as the coexistence of FREDDO and FREDDO II, “is not on par with the confusion between [the ‘088 Application] and the Cited Registrations,” because these registrations do not share similar goods or services. Specifically, it asserts the evidence from the register demonstrates the opposite.**

[48] Again, I disagree. As noted in *Mahjoub*, “[...] the craft of writing reasons [...] is an imprecise art suffused by difficult judgment calls that cannot be easily second-guessed”: *Mahjoub*, above, at para 69. Two or three additional similar trademarks are insufficient, without specific evidence about their use, for the Court to draw any inferences concerning the state of the marketplace: see *Canada Bread Company, Limited v Dr Smood ApS*, 2019 FC 306 [*Canada Bread*] at paras 59-61. Thus, neither the Court, nor the Registrar could conclude that the register is “crowded” with such trademarks, and thus the ambit of protection afforded the Cited Registrations is narrowed.

[49] Nonetheless, even scrutinizing the similarity between the Cited Registrations fails to reveal a palpable and overriding error. For example, the Registrar found coffee goods “could be identical” or are at least “highly similar” to carbonated and non-carbonated non-alcoholic beverages, as she considered and rejected the argument that FREDDA is restricted to soft drinks. Therefore, the Registrar did not err in finding that carbonated and non-carbonated non-alcoholic beverages are more similar to coffee goods than to ice cream [for FREDDO] because of this overlap.

[50] The Registrar also found the services associated with the Applied For Mark [restaurant- and franchise-related services] overlapped with the services associated with FREDDO [operation of ice-cream shops]. I therefore find no palpable or overriding error in her conclusion that these overlapping services are more similar than ice-cream [for FREDDO] is to chocolate [for FREDDO II].

[51] In sum, none of the alleged errors rises, in my view, to the level of palpable and overriding error. Most of the points boil down to a request for the Court to reweigh the evidence, which is not in line with this deferential standard [see generally *Housen*, above, at paras 10, 15-18]. The Registrar's reasons, supplemented by the Examiner's Reports, "withstand somewhat probing": see *Mattel USA Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 40.

## VI. Conclusion

[52] This application, and hence the appeal from the Decision, is dismissed, as the Registrar did not make any palpable and overriding errors in finding the Applied For Mark confusing with the Cited Marks. The applicable standard of review in this case is whether the Registrar made a "palpable and overriding error", as the statutory appeal provision in the TMA dictates an appellate standard of review, further to *Vavilov*, and the Applicant did not present evidence that would have affected the Decision materially.

**JUDGMENT in T-1736-18**

**THIS COURT'S JUDGMENT is that** the appeal from the August 1, 2018 Registrar's Decision is dismissed.

“Janet M. Fuhrer”

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Judge

## **Annex “A” – Relevant Provisions**

### ***Trademarks Act, RSC 1985, c T-13, as amended***

#### **Confusion — trademark with other trademark**

**6 (2)** 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 or appear in the same class of the Nice Classification.

#### **When applications to be refused**

**37 (1)** The Registrar shall refuse an application for the registration of a trademark if he is satisfied that

- (a) the application does not conform to the requirements of subsection 30(2);
- (b) the trademark is not registrable,
- (c) the applicant is not the person entitled to registration of the trademark because it is confusing with another trademark for the registration of which an application is pending, or
- (d) the trademark is not distinctive.

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

### ***Loi sur les marques de commerce, LRC 1985, ch T-13, modifiée***

#### **Marque de commerce créant de la confusion avec une autre**

**6 (2)** L’emploi d’une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l’emploi des deux marques de commerce dans la même région serait susceptible de faire conclure que les produits liés à ces marques de commerce sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces produits ou services soient ou non de la même catégorie générale ou figurent ou non dans la même classe de la classification de Nice.

#### **Demandes rejetées**

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

- a) la demande ne satisfait pas aux exigences du paragraphe 30(2);
- b) la marque de commerce n’est pas enregistrable;
- c) le requérant n’est pas la personne qui a droit à l’enregistrement de la marque de commerce parce que cette marque crée de la confusion avec une autre marque de commerce en vue de l’enregistrement de laquelle une demande est pendante;
- d) la marque de commerce n’est pas distinctive.

Lorsque le registraire n’est pas ainsi convaincu, il fait annoncer la demande de la manière prescrite.



[...]

**Statement of opposition**

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

[...]

**Divisional application**

**39 (1)** After having filed an application for the registration of a trademark, an applicant may limit the original application to one or more of the goods or services that were within its scope and file a divisional application for the registration of the same trademark in association with any other goods or services that were

(a) within the scope of the original application on its filing date, determined without taking into account subsection 34(1); and

(b) within the scope of the original application on the day on which the divisional application is filed, if the divisional application is filed on or after the day on which the original application is advertised under subsection 37(1).

[...]

**Registration of trademarks**

**40** When an application for the registration of a trademark either has not been opposed and the time for the filing of a statement of opposition has expired, or has been opposed and the opposition has been decided in favour of the applicant, the Registrar shall register the trademark in the name of the applicant and issue a certificate of its registration or, if an appeal is taken, shall act in accordance with the

[...]

**Déclaration d'opposition**

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

[...]

**Demande divisionnaire**

**39 (1)** Après avoir produit la demande d'enregistrement d'une marque de commerce, le requérant peut restreindre cette demande originale à l'un ou plusieurs des produits ou services visés par celle-ci et produire une demande divisionnaire pour l'enregistrement de la même marque de commerce en liaison avec d'autres produits ou services qui étaient visés par la demande originale à la date de sa production, déterminée compte non tenu du paragraphe 34(1), et, si la demande divisionnaire est produite le jour où la demande originale est annoncée en application du paragraphe 37(1) ou après ce jour, visés par celle-ci le jour où la demande divisionnaire est produite.

[...]

**Enregistrement des marques de commerce**

**40** Lorsqu'une demande d'enregistrement d'une marque de commerce n'a pas fait l'objet d'une opposition et que le délai prévu pour la production d'une déclaration d'opposition est expiré, ou lorsqu'il y a eu opposition et que celle-ci a été décidée en faveur du requérant, le registraire enregistre la marque de commerce au nom du requérant et délivre un certificat de son enregistrement ou, en cas d'appel, se

final judgment given in the appeal.

conforme au jugement définitif rendu en l'espèce

[...]

[...]

***Trademarks Act, RSC 1985, c T-13, as it appeared before June 17, 2019***

***Loi sur les marques de commerce, LRC 1985, ch T-13, telle que parue avant le 17 juin 2019***

### **When applications to be refused**

### **Demandes rejetées**

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

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

(a) the application does not conform to the requirements of section 30,

a) la demande ne satisfait pas aux exigences de l'article 30;

(b) the trade-mark is not registrable, or

b) la marque de commerce n'est pas enregistrable;

(c) the applicant is not the person entitled to registration of the trade-mark because it is confusing with another trade-mark for the registration of which an application is pending,

c) le requérant n'est pas la personne qui a droit à l'enregistrement de la marque de commerce parce que cette marque crée de la confusion avec une autre marque de commerce en vue de l'enregistrement de laquelle une demande est pendante.

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

Lorsque le registraire n'est pas ainsi convaincu, il fait annoncer la demande de la manière prescrite.

[...]

[...]

### **When application to be allowed**

### **Quand la demande est admise**

**39 (1)** When an application for the registration of a trade-mark either has not been opposed and the time for the filing of a statement of opposition has expired or it has been opposed and the opposition has been decided in favour of the applicant, the Registrar shall allow the application or, if an appeal is taken, shall act in accordance with the final judgment given in the appeal.

**39 (1)** Lorsqu'une demande n'a pas fait l'objet d'une opposition et que le délai prévu pour la production d'une déclaration d'opposition est expiré, ou lorsqu'il y a eu opposition et que celle-ci a été décidée en faveur du requérant, le registraire l'admet ou, en cas d'appel, il se conforme au jugement définitif rendu en l'espèce.

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

**DOCKET:** T-1736-18

**STYLE OF CAUSE:** OBSIDIAN GROUP INC. v ATTORNEY GENERAL OF CANADA

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** JANUARY 13, 2020

**JUDGMENT AND REASONS:** FUHRER J.

**DATED:** MAY 5, 2020

**APPEARANCES:**

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