

NO INFRINGEMENT OF “TRADITION” TRADE-MARK, FEDERAL COURT OF APPEAL RULES

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The Federal Court of Appeal recently dismissed an appeal of a decision of the Federal Court which rejected the Appellant's action for trade-mark infringement and passing off relating to the “TRADITION” trade-mark (*Tradition Fine Foods Ltd. v. Oshawa Group Ltd., Sobeys Inc. et als*, 2005 FCA 342, Malone, Rothstein and Létourneau, J.J.A., October 25th, 2005).

THE FACTS

The Appellant, Tradition Fine Foods Ltd. produces a range of fresh and frozen baked goods such as muffins, croissants, cookies, cakes and pastries that are sold not only in grocery stores and convenience stores but are also used by hotels and hospitals. The wares associated to its various registered TRADITION trade-marks are frozen, unpackaged bakery products as well as goods that are baked and then frozen.

Sobeys began opening a chain of small, franchised, fresh market grocery stores in Quebec and Ontario in 1997, using the bilingual word 'Tradition' in its signage and graphics. Each store carries a wide variety of commercial grocery products including fresh and frozen bakery products which are sold from an in-store bakery. Of note, in Quebec, Sobeys operates its stores under the trade name, "LES MARCHÉS TRADITION" which was also registered as a trade-mark for retail grocery store services on February 10th, 2000.

THE FEDERAL COURT JUDGEMENT

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The Federal Court judge seized with the Plaintiff's action for infringement and passing off ruled that the Plaintiff had not discharged its onus of proving that Sobey's had violated its rights in the trade-mark TRADITION. The Trial judge held that Plaintiff's mark was weak and common in the food producers' trade and co-existed in the retail grocery market. He also determined that evidence alleging confusion by the Plaintiff based on misdirected telephone calls and participants in a market survey conducted by its expert were non-persuasive. Overall, the Court concluded the evidence did not establish confusion between Plaintiffs's baking business and Sobey's grocery stores.

THE FEDERAL COURT OF APPEAL JUDGEMENT

In dealing with the issue of confusion, the Federal Court of Appeal decided that the Appellant's rights under Section 19 of the *Trade-marks Act* were not violated insofar as the mark being used, MARCHÉ TRADITION was not identical to its registered TRADITION trade-marks.

In pursuing its analysis of confusion pursuant to Section 20 of the *Trade-marks Act* relating to confusion between similar trade-marks, the Court of Appeal considered the Appellant's arguments that Sobey's use of the names "TRADITION MARKET FRESH FOODS" AND "LES MARCHÉS TRADITION" were confusing with its TRADITION trade-marks having regard to the prominence given to the word "TRADITION" on signage.

The Court also considered the Appellant's argument that the Trial judge erred when granting little weight to its expert survey evidence and misdirected phone calls from callers wondering whether there was a connection between Tradition and the new grocery stores. In response, the Court of Appeal concluded that the Trial judge did not err in its assessment of the survey evidence as a judge is not bound by survey evidence and legally has the power to make a determination of non persuasiveness. As for the misdirected phone calls, the Court of Appeal held that while it may be relevant within the overall test for likelihood of confusion, it did not amount to evidence of actual confusion.

The Court of Appeal agreed with the Trial judge's opinion that it was unlikely that the Appellant's products would be sold in the respondent's stores due to the nature of the Appellant's bakery business. The Court of Appeal therefore dismissed the appeal since it found no palpable and overriding error in the Trial judge's conclusions that neither the phone calls, the results of the survey evidence nor the analysis of the statutory factors, proved the likelihood of confusion.

CONCLUSION

This case supports the general principle that weak marks usually have a lower degree of protection available to them. It also serves as a good reminder that while survey evidence may seemingly be convincing, it does not bind a judge who legally has the power to determine its probative value.



