Toronto
1966
Oct. 18-20
Ottawa
Oct. 31

IN THE MATTER OF the *Trade Marks Act* (1-2 Elizabeth II, Chapter 49),

AND

IN THE MATTER OF an Opposition by the Rowntree Company Limited to application S.N. 264,951 covering the trade mark SMOOTHIES.

BETWEEN:

PAULIN CHAMBERS CO. LTD. (*Applicant*) ..... APPELLANT;

AND

THE ROWNTREE COMPANY LIMITED (*Opponent*) ..... RESPONDENT;

AND

THE REGISTRAR OF TRADE MARKS.

Trade marks—Trade Marks Act, S. of C. 1952-53 c. 49, Sections 6(2), (5), 12(1)(b), 37, 55—Appeal from the decision of the Registrar of Trade Marks—Whether confusion of trade marks—Information should be representative, unbiased, reliable and not hearsay—Mark widely known throughout Canada—Degree of resemblance—No probability of confusion within the meaning of Section 6 of the Act—Appeal allowed.

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PAULIN CHAMBERS CO. LTD. AND THE ROWNTREE CO LTD. AND THE REGISTRAR OF TRADE MARKS

This is an appeal pursuant to section 55 of the *Trade Marks Act*, from the decision of the Registrar of Trade Marks, upholding the opposition by the respondent to application by the appellant to register its word mark "Smoothies" as applied to candy.

The respondent has two prior registrations, namely the Trade mark "Smartie" for biscuits and candy, and the Trade mark "Smarties" for chocolate confection.

Since the date of the appellant's application to register was September 16, 1961 and the date of first use was August 9, 1961, there was no substantial contemporaneous use of the two marks, and therefore evidence of actual confusion was practically impossible to obtain. An attempt was made to obtain from a primary source statistical data to establish confusion. This was done by conducting a survey.

The survey evidence advanced by the respondent does not demonstrate how the information was obtained nor that it was representative, unbiased, reliable and adequate for the purpose of the survey.

"In coming to a decision as to whether or not these two marks are confusing, the concept of first impression must be employed. The marks must be considered in their totality, not in a detailed study. And the criterion that should be employed in considering the connection between the two marks should be real tangible danger of confusion and not a theoretical danger."

The survey evidence before the Registrar of Trade Marks and before this Court is no proof of confusion between the two marks. It is hearsay.

After considering the whole of the admissible evidence and particularly the circumstances detailed in section 6(5) of the *Trade Marks Act*, the Court made the following findings.

Held, That "there is an inherent distinctiveness in the trade mark 'Smarties' in that it is a strong trade mark; and that it has become widely known throughout Canada".

2. That "the trade mark 'Smarties' has been used for a very long time whereas the trade mark 'Smoothies' has been used a very insignificant period of time".

3 That "the wares sold under the marks of 'Smoothies' and 'Smarties' are similar, are cheap and are in the main purchased by or for children but that some reasonable degree of discrimination is exercised in their purchase".

4. That "the nature of the trade in which the wares 'Smoothies' and 'Smarties' are sold is the same, namely, the retail trade".

5. That "there is no resemblance between the trade marks in appearance, sound or in the idea suggested by them", nor "dispute between the parties that there is no appearance or sound resemblance but there was a dispute as to whether there was a degree of resemblance in the idea suggested by them."

6. That it is clear that the meaning of these words namely: "smart or smartie" "smoothy or smoothie" are entirely dissimilar.

7. That "there is no probability of confusion within the meaning of section 6 of the *Trade Marks Act* of 'Smoothies' with 'Smarties'."

8. That "the mark 'Smoothies' is not clearly descriptive or deceptively mis-descriptive of the character or quality of the wares within the meaning of section 12(1)(*b*) of the *Trade Marks Act*".

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APPEAL from a decision of the Registrar of Trade Marks.

Norman R. Shapiro for the appellant.

Donald J. Wright for the respondent.

GIBSON J.:—This appeal, pursuant to section 55 of the *Trade Marks Act*[1], is from the decision of the Registrar of Trade Marks dated January 21, 1964, upholding the opposition by the respondent, The Rowntree Company Limited, to application S.N. 264,951, filed September 16, 1961 by the appellant, Paulin Chambers Co. Ltd., to register its word mark "Smoothies" as applied to candy.

The respondent has two prior registrations, namely the trade mark "Smartie" numbered 198/43453 as of March 6, 1928 for biscuits and candy, and the trade mark "Smarties" numbered 49/13008 as of March 7, 1940, for chocolate confection.

In compliance with Rule 36 of this Court, the Statement of Allegations of Fact Upon Which The Appellant Relies is as follows:

1. The Appellant, Paulin Chambers Co. Ltd., commenced to use the Trade Mark SMOOTHIES, in Canada, in association with candy as of August 9, 1961.

2. The Appellant, Paulin Chambers Co Ltd. through its duly authorized agent filed in the Canadian Trade Marks Office on September 16, 1961, an application for registration of the Trade Mark SMOOTHIES for use in association with candy based on use in Canada as of August 9, 1961, which application was given Serial Number 264,951 by the Canadian Trade Marks Office.

3. The Appellant, Paulin Chambers Co. Ltd. filed its application for registration of the Trade Mark SMOOTHIES for candy under Serial Number 264,951 in accordance with the provisions of Section 29 of the Canadian *Trade Marks Act* and that it is the person entitled to registration thereof in Canada in accordance with the provisions of Section 16(1) of the Canadian *Trade Marks Act* because at the date it first used the Trade Mark SMOOTHIES for candy, in Canada, it was not confusing with:

(*a*) A Trade Mark that had been previously used in Canada or made known in Canada by any other person;

(*b*) A Trade Mark in respect of which an application for registration had been previously filed in Canada by any other person; or

(*c*) A trade name that had been previously used in Canada by any other person.

4. The Trade Mark SMOOTHIES for candy claimed in said application Serial Number 264,951 is registrable as it is not confusing within the

[1] S. of C. 1952-53, c. 49.

meaning of Section 6(2) of the Canadian *Trade Marks Act* with the Trade Mark SMARTIE for biscuits and candy registered as of March 6, 1928 under Number 198/43453 in the Canadian Trade Marks Office and with the Trade Mark SMARTIES for a chocolate confection registered as of March 7, 1940, under Number 49 N.S./13008 in the Canadian Trade Marks Office, both registration Numbers 198/43453 and 49 N.S./13008 being owned by the Respondent, The Rowntree Company, Limited because:

(*a*) The use of the Trade Mark SMOOTHIES in association with candy and the use of the Trade Mark SMARTIE in association with biscuits and candy, in the same area does not and would not be likely to lead to the inference that the wares associated with such trade marks are manufactured, sold, leased or hired by the same person.

(*b*) The use of the Trade Mark SMOOTHIES in association with candy and the use of the Trade Mark SMARTIES in association with a chocolate confection, in the same area does not and would not be likely to lead to the inference that the wares associated with such Trade Marks are manufactured, sold, leased or hired by the same person.

Complying also with Rule 36 of this Court, the Statement of Allegations of Fact Upon Which The Respondent Relies is as follows:

1. The Rowntree Company, Limited is the registered owner of the Trade Mark "Smarties" registered in the Trade Mark Register No. 49, folio N S. 13008 on March 7, 1940. This Trade Mark registration was renewed on March 7, 1955, and is currently in force.

2. The respondent is and has been, since its incorporation, a wholly owned subsidiary of Rowntree & Co. Ltd. of the United Kingdom.

3. In addition to the respondent, Rowntree & Co. Ltd. has subsidiaries and factories in many other countries of the world and Rowntree & Co. Ltd. and all its subsidiaries carry on substantially the same business including, inter alia, the manufacture and/or sale of a chocolate confectionery in association with the Trade Mark "Smarties".

4. Rowntree & Co. Ltd. is the registered owner of the Trade Mark "Smarties" in the United Kingdom and its subsidiaries are registered as the owners of the Trade Mark "Smarties" in various other countries of the world.

5. The Trade Mark "Smarties" has been continuously and extensively used and advertised in Canada by the respondent since at least as early as February 19, 1940 in respect of goods which may be described as "candy-coated chocolate confectionery".

6. Similar candy-coated chocolate confectionery has for many years been manufactured by Rowntree & Co. Ltd. and its subsidiaries and sold throughout the world in association with the Trade Mark "Smarties".

7. A very large proportion of the purchasing public in Canada is familiar with the Trade Mark "Smarties" and associate this Trade Mark with a product of the respondent.

8. The appellant's application was advertised in the issue of the Trade Marks Journal dated February 14, 1962 and the respondent filed a statement of opposition to the said application dated the 13th day of June, 1962.

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9. A hearing was held in the office of the Registrar of Trade Marks on November 19, 1963 and by his decision dated January 21, 1964, the Registrar concluded that there was a strong possibility that the concurrent use of both marks would lead to the inference that the wares of the appellant and those of the respondent emanate from the same source and accordingly he refused the application pursuant to Section 37 of the *Trade Marks Act*.

10. The Trade Mark "Smoothies" is and has at all material times been confusing with the registered Trade Mark "Smarties" in that the use of the Trade Mark "Smoothies" would cause confusion with the registered Trade Mark "Smarties" in the manner and circumstances described in Section 6 of the *Trade Marks Act* and accordingly the Trade Mark "Smoothies" is not registrable.

11. On the date on which the appellant first used or made known the Trade Mark "Smoothies", it was confusing with the registered Trade Mark "Smarties" that had previously been used and been known in Canada by the respondent and accordingly the appellant is not the person entitled to registration of the Trade Mark "Smoothies".

12. The Trade Mark "Smoothies" is descriptive or deceptively misdescriptive of the character or quality of the wares in association with its use and accordingly the Trade Mark "Smoothies" is not registrable.

13. The respondent will refer to Exhibits "A" and "B" to the affidavit of Tom E. King sworn the 30th day of September, 1965, herein.

14. The sales of a product in association with the Trade Mark "Smoothies" in Canada, by the appellant, have been of a very small and localized nature.

Although this is an appeal from the decision of the Registrar of Trade Marks and not from his reasons, it is of interest to record here part of them, *viz*:

I have considered the evidence on file and also the representations of counsel for both parties at a Hearing held in my Office November 19, 1963. The nature of the wares and the nature of the trade in both cases is identical and the wares are distributed through the same channels of trade. Both marks are slang terms commonly used to describe a 'smart alec' or a 'smooth operator'. After carefully reviewing the evidence, I have arrived at the conclusion that there is a strong possibility that the concurrent use of both marks would lead to the inference that the wares of the applicant and those of the opponent emanate from the same source.

Since the date of the appellant's application to register was September 16, 1961 and the date of first use was August 9, 1961, there is no substantial contemporaneous use of the two marks, and therefore evidence of actual confusion is practically impossible to obtain (although the respondent did file certain survey evidence to attempt to establish confusion, which is commented upon later in these reasons).

Therefore, in coming to a decision as to whether or not these two marks are confusing, the concept of first impression must be employed. The marks must be considered in their totality, not in a detailed study. And the criterion

that should be employed in considering the connection between the two marks should be real tangible danger of confusion and not a theoretical danger.

The evidence before the Registrar of Trade Marks and before this Court, consisted of certain survey evidence attached as Exhibit "A" to the affidavit of Tom E. King sworn on September 30, 1965 referred to in said paragraph 13 in the Statement of Allegations of Fact Upon Which The Respondent Relies; two affidavits of William J. Irvine, Assistant Secretary Treasurer of the appellant company; and the affidavit of Richard George Mitchell, Secretary Treasurer of the respondent company.

Regarding the survey evidence attached as Exhibit "A" to the affidavit of Tom E. King, it consists of a series of affidavits of persons who interviewed certain people in the Winnipeg and Vancouver area and asked them to answer certain predetermined questions; the form of which questions is attached as a schedule to the affidavit of such interviewers. From this survey evidence, the respondent seeks to establish that there is proof of some confusion between the two marks.

This so-called survey evidence is no proof of anything. It is hearsay. And, in any event, commenting generally on the same, it was an attempt to obtain from a primary source statistical data to establish confusion. In this, it completely failed, because, among other things, it did not show how the persons were chosen who were to be interviewed or the procedure followed in collecting the information nor does it demonstrate how the information obtained is representative, unbiased and reliable, and adequate for the purpose of the survey. To use statistics obtained without these precautions and without this critical attitude, especially if the results happen to be in accord with the purpose of the survey, does not prove anything and the results are meaningless.

After considering the whole of the other admissible evidence and all of the surrounding circumstances and making all proper inferences and considering particularly the circumstances detailed in section 6(5) of the *Trade Marks Act*, I make the following findings:

1. that there is an inherent distinctiveness in the trade mark "Smarties" in that it is a strong trade mark; and that it has become widely known throughout Canada;

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2. that the trade mark "Smarties" has been used for a very long time whereas the trade mark "Smoothies" has been used a very insignificant period of time;

3. that the wares sold under the marks of "Smoothies" and "Smarties" are similar, are cheap, and are in the main purchased by or for children but that some reasonable degree of discrimination is exercised in their purchase;

4. that the nature of the trade in which the wares "Smoothies" and "Smarties" are sold is the same, namely, the retail trade;

5. that there is no resemblance between the trade marks in appearance, sound or in the idea suggested by them. There was no dispute between the parties that there is no appearance or sound resemblance, but there was a dispute as to whether there was a degree of resemblance in the idea suggested by them. As to the latter, however, it is clear that the meanings of these words are entirely dissimilar. Webster's Third New International Dictionary defines "smarties" and "smoothies" as follows:

> *Smart or Smartie* ... one that tries in a callow fashion to be witty or clever: smart aleck
>
> *Smoothy or Smoothie* ... 1a: a person with polished manners b: one who behaves or performs with deftness, assurance, easy competence...

All of which, on balance, leads to the conclusion, in my view, that there is no probability of confusion within the meaning of section 6 of the *Trade Marks Act* of "Smoothies" with "Smarties".

I am also of the view that the mark "Smoothies" is not clearly descriptive or deceptively mis-descriptive of the character or quality of the wares within the meaning of section 12(1)(*b*) of the *Trade Marks Act*.

The appeal is allowed and the decision of the learned Registrar of Trade Marks is reversed and the trade mark application S.N. 264,951 is allowed.

The appellant is entitled to its costs.