

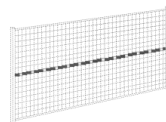


LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS

**Citation: 2011 TMOB 257**  
**Date of Decision: 2011-12-21**

**IN THE MATTER OF AN OPPOSITION  
by Yellow Fence Rentals Inc. to  
application No. 1,327,323 for the trade-  
mark Colours yellow and black applied to  
fence panel. in the name of India Steel &  
Fence Rental Ltd.**

[1] On December 7, 2006, India Steel & Fence Rental Ltd. (the Applicant) filed an application to register a trade-mark it described as Colours yellow and black applied to fence panel (the Mark), based on use of the Mark by the Applicant in Canada since at least as early as October 16, 2006 in association with fence rental services and fence delivery, assembly and disassembly services (the Services). The application was subsequently amended to be based on use since at least as early as May, 2005 by the Applicant or its predecessor-in-title Sarbjit Kaur Chot dba India Steel and Insulation. The Mark as displayed and described in the amended application is set out below:



The trade-mark consists of the colour yellow as applied to the whole of the visible surface of the fence panel shown in the attached drawing, but for the horizontal strip situated approximately equidistant from the top and bottom of the fence panel, to which horizontal strip the colours yellow and black are applied in alternating segments.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of July 21, 2010.

[3] On September 21, 2010, Yellow Fence Rentals Inc. (the Opponent) filed a statement of opposition. The Applicant filed and served a counter statement in which it denied the Opponent's allegations. In support of its opposition, the Opponent filed an affidavit of Steven Martini. No cross-examination of Mr. Martini was conducted. The Applicant did not file evidence in support of its application during the opposition. While the Applicant had filed an affidavit of Balvir Kumar Chot during the examination of the application in order to amend the date of first use, this affidavit does not form part of the record of this proceeding [*Avon Canada Inc. v. Lifestyles Canada Ltd.*; 2001 CarswellNat 4120 (T.M.O.B.) at para. 15]. Both parties filed a written argument. No hearing was conducted.

#### Summary of Grounds of Opposition and Applicable Material Dates

[4] The Opponent's statement of opposition includes the grounds summarized below:

- (a) contrary to s. 30(b) of the *Trade-marks Act*, R.S. C. 1985, ch. T-13 (the Act), the Applicant had not used the Mark in Canada in association with the Services;
- (b) contrary to s. 30(i) of the Act, at the filing date of the application, the Applicant was not and could not have been, satisfied that it was entitled to use the Mark in Canada in view of the Applicant's knowledge of the lack of distinctiveness of the Mark, and/or the existence of the Opponent's or third party rights;
- (c) contrary to s. 38(2)(b) of the Act, the Mark is not registrable because the colour yellow as applied to the whole of the visible surface of a fence panel is primarily functional;
- (d) contrary to s. 16(1)(a) of the Act, the Applicant is not the person entitled to registration of the Mark because the Mark was confusing with the Opponent's trade-mark comprising the colour yellow as applied to the whole of the visible surface of a fence panel that had been used in Canada prior to any use by the Applicant; and

(e) contrary to s. 2 of the Act, the Mark is not distinctive of the Applicant because of the use in Canada by the Opponent, or third parties, of a mark comprising the colour yellow as applied to the whole of the visible surface of a fence panel, the Mark does not actually distinguish the services of the Applicant from the Opponent or others.

### Preliminary Issue

[5] In the ground of opposition set out in paragraph (6)(c) above, the Opponent has pleaded that the Mark is unregistrable, pursuant to s. 38(2)(b) of the Act, as it is functional. Section 38(2)(b) of the Act prohibits the registration of trade-marks which contravene s. 12 of the Act. Section 12 does not encompass a pleading that a mark is not a trade-mark as it is functional. Such an allegation should either be pleaded under s. 2 or s. 30 of the Act. As an unpleaded ground of opposition cannot be considered, I dismiss this ground of opposition [*Imperial Developments Ltd. v. Imperial Oil Ltd.* (1984), 79 C.P.R. (2d) 12 (F.C.T.D.) at 21].

[6] Nevertheless, in the event that I am wrong in dismissing this ground for the reason set out above, I will consider it further. The ground as pleaded refers to the colour yellow applied to fence panels and does not address whether the Opponent's objection on the basis of functionality also pertains to the Services. As such, I dismiss this ground of opposition as being improper [*Fast Fence Inc. v. Yellow Fence Rentals Inc.*; 2010 CarswellNat 2524 (T.M.O.B.) at paras. 16-18].

### Material Dates

[7] The material dates with respect to the grounds of opposition are as follows:

- s. 38(2)(a)/30 - the filing date of the application [see *Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475];

- s. 38(2)(c)/16(1)(a) – the date of first use alleged in the application [see s. 16(1) of the Act];

- s. 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 at para. 8 (F.C.)].

## Onus

[8] The Applicant bears the legal onus of establishing, on a balance of probabilities that its application complies with the requirements of the Act. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged support each ground of opposition [see *John Labatt Ltd. v. Molson Companies Ltd.*, (1990) 30 C.P.R. (3d) 293 (F.C.T.D.)].

## Section 30 Grounds of Opposition

[9] The Opponent has pleaded that the application is contrary to s. 30(b) and 30(i) of the Act.

[10] There is no evidence that supports the ground of opposition based on s. 30(b) of the Act. Consequently this ground is dismissed on the basis that the Opponent has not satisfied its initial burden.

[11] The s. 30(i) ground alleges that the Applicant could not have been properly satisfied that it was entitled to use the trade-mark in Canada in association with the Services in view of the Applicant's knowledge of the lack of distinctiveness of the Mark and/or the existence of the Opponent's or third party rights. Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. As the application includes the required statement and there is no allegation or evidence of bad faith or other exceptional circumstances, the s. 30(i) ground is dismissed.

## Section 16(1)(a) Ground

[12] The Opponent has pleaded that the Applicant is not the person entitled to registration because the Mark is confusing with the Opponent's trade-mark comprising the colour yellow as applied to the whole of the visible surface of a fence panel (Opponent's Fence Panel Mark) that had been used prior to any use of the Mark.

[13] The Opponent has an initial evidential burden to prove that it or a predecessor-in-title had used or made known in Canada the Opponent's Fence Panel Mark prior to the claimed date of first use of the Mark, May, 2005. The Opponent must also demonstrate that it had not abandoned its trade-mark at the date of advertisement of the Mark.

[14] The evidence of the Opponent's affiant, Mr. Martini, Director and Secretary of the Opponent, provides that the Opponent was incorporated on August 18, 2006 (Exhibit A). Mr. Martini sets out that the Opponent "is, and always has been since its incorporation, in the business of renting ... yellow steel wire mesh fence panels..." (para. 4). As the Opponent has not provided any evidence of use of the Opponent's Fence Panel Mark by it or a predecessor-in-title as of May, 2005, it has not met its burden with respect to the s. 16(1)(a) ground of opposition which is therefore dismissed.

#### Distinctiveness Ground of Opposition

[15] The ground of opposition challenging the distinctiveness of the Mark is set out below:

Contrary to Section 38(2)(c) and Section 2 of the Trade-marks Act, at the date of filing the Application, the mark is not distinctive of the services of the Applicant having regard to the use in Canada by the Opponent, or third parties, of a mark comprising the colour yellow as applied to the whole of the visible surface of a fence panel. The Applicant's mark does not actually distinguish the services in association with which the Applicant alleges to have used the mark from the services of the Opponent or others, and it is neither adapted to distinguish or capable of distinguishing them from those of the Opponent or others.

[16] I note that while the Opponent's s. 16(1)(a) ground of opposition clearly states that it is based on use of a trade-mark, the distinctiveness ground of opposition only uses the word "mark" which is broader in scope than the word "trade-mark" (s. 2 of the Act). The Applicant did not challenge this pleading even though it is not necessarily clear on its face whether the Opponent intended to base its opposition on the use of marks comprised of the colour yellow on fence panels or on the use of trade-marks comprised of the colour yellow on fence panels by it or others. Where the pleadings have not been challenged, the Federal Court of Appeal in *Novopharm Ltd. v. AstraZeneca AB* (2002), 21 C.P.R. (4th) 289 (F.C.A.) directs me to consider the evidence in conjunction with the pleadings when assessing the case that the Applicant has to meet. The evidence of Mr. Martini confirms that the colour yellow is functional and used on

high visibility fencing. I, therefore, consider this ground of opposition to be based on use of the colour yellow on fence panels whether or not as a trade-mark.

[17] Mr. Martini provides the following evidence:

- (a) the Opponent rents yellow steel wire mesh fence panels that may be interlocked to provide high visibility, temporary, portable fences for use at construction sites and special events such as concerts, parades, sporting events, and trade shows (para. 4, Exhibit B);
- (b) the colour yellow as applied to fence panels serves the function of making the fence panels highly visible (para. 6); and
- (c) during each of the years 2008-2010, the Opponent has rented more than 10,000 yellow fence panels (para. 7);

I am not having regard to the evidence of the offering of rental services related to yellow fence panels by third parties as there is no evidence that the third parties referred to by Mr. Martini were renting yellow fence panels as of the relevant date (September 21, 2010). I am, however, having regard to this evidence as supporting the Opponent's submissions that yellow fencing is functional.

[18] I find in this case the ultimate issue is whether the Applicant should be granted the monopoly to use the Mark, including slight variations thereto, across Canada in association with the Services. In this regard, I consider the dominant feature of the Mark as described by the Applicant to be the colour yellow applied-to fence panels as this feature is such a large part of the Mark. This is not a monopoly that should be lightly granted, which is why there is an onus on the Applicant to demonstrate that the Mark is distinctive of only a single source, namely the Applicant [*Missionfest Manitoba Inc. v. Missions Fest International Assn.* (2011), 94 C.P.R. (4th) 459 (T.M.O.B.) at para. 38]. As of the material date, the Opponent had been renting yellow fence panels for four years.

[19] In the absence of evidence from the Applicant showing that the Mark has acquired distinctiveness, I do not find that a yellow and black alternating strip on a yellow fence panel is

sufficient to differentiate the Services of the Applicant from those of the Opponent. First, the yellow and black alternating strip does not change the overall appearance of a yellow fence panel to a great degree [*Société des Produits Nestlé S.A. v. Wells' Dairy Inc.*; 2000 CarswellNat 4064 (T.M.O.B.) at para. 20]. Second, given the inherent weakness of the Mark, it was incumbent for the Applicant to show that consumers recognized the Mark as a trade-mark and not just as ornamental and/or functional elements of the product [*Novopharm v. Astra AB* (2000), 6 C.P.R. (4th) 101 at 112 (T.M.O.B.)]. As the Applicant did not file any evidence, this ground of opposition succeeds.

### Disposition

[20] Pursuant to the authority delegated to me under s. 63(3) of the Act, I refuse the application pursuant to s. 38(8) of the Act.

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Natalie de Paulsen  
Member  
Trade-marks Opposition Board  
Canadian Intellectual Property Office