

**IN THE MATTER OF AN OPPOSITION
by Tri Tool Inc. to application No.
1,149,121 for the trade-mark TRI TOOL
filed by Cal-Scan Services Ltd.**

On August 7, 2002, Cal-Scan Services Ltd. (the “Applicant”) filed an application to register the trade-mark TRI TOOL (the “Mark”) based upon use of the Mark in Canada since as early as January 2002 in association with downhole sensors for the oil and gas industry, namely, pressure sensors and temperature sensors; and data logging equipment for use with downhole sensors, namely, data loggers, data recorders, and display units.

The application was advertised for opposition purposes in the Trade-marks Journal of October 29, 2003.

On December 10, 2003, Tri Tool Inc. (the “Opponent”) filed a statement of opposition against the application. The Applicant filed and served a counter statement, in which it denied the Opponent’s allegations.

The Opponent’s evidence consists of the affidavit of William E. Sandford, who holds the position of Technical Director and Systems Concept Engineer at the Opponent.

The Applicant’s evidence consists of the affidavit of its President, Ronald Lloyd Carefoot.

No cross-examinations were conducted.

Each party filed a written argument. I have disregarded those portions of the Applicant’s written argument that refer to matters not introduced as evidence.

Each party was represented at an oral hearing.

Grounds of Opposition

The Opponent has pleaded three grounds of opposition, each of which turns on the issue of the

likelihood of confusion between the Applicant's Mark and the Opponent's trade-mark TRI TOOL and trade-names Tri Tool and Tri Tool Inc. The Opponent pleads that its mark and names are associated with the following wares:

portable pipe cutting, beveling and machining systems, comprising portable lathes, cutoff devices as machine tools, machine tool bits and parts for the foregoing; pneumatic power tools, hydraulic power tools and electric power tools for machining metal and plastic; namely, portable pipe beveling machines, portable lathes and cutting tools for pipe and tubing, and replacement parts for the foregoing, namely, tool bits, mandrels, collets, adaptors, cutting heads, tracking tools and grooving tools; and hydraulic power supplies for power tools, which comprise electrically powered pumps to provide hydraulic power; pipe lathes, tool bits for pipe lathes, beveling machining heads for pipe lathes, power drive heads for pipe machining tools and hydraulic power sources; machine tool bits for cutting metal and non-metal materials; machine tools, namely, portable machine tools for on-site machining and repairing of pipe flanges, tube flanges, pipe fittings, valves, vessels, heat exchangers, headers, super heaters, economizers, pumps, bases for pumps, bases for vessels, bases for heat exchangers, bases for headers, bases for super heaters, bases for economizers, and valve parts; and replacement parts therefor; hand tools, namely, wrenches, hex L wrenches, tee wrenches, combination box and open end wrenches, and tee handles socket wrenches.

The grounds of opposition pleaded pursuant to the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the "Act") are as follows:

1. pursuant to s. 38(2)(a): non-compliance with s. 30(i) because the Applicant could not have been satisfied as at the date of its application as to its entitlement to use the Mark, having regard to the prior use of the Opponent's mark and names;
2. pursuant to s. 38(2)(c): non-entitlement under s. 16(1)(a) and (c) due to confusion with the Opponent's previously used mark and names;
3. pursuant to s. 38(2)(d): non-distinctiveness because the Mark does not distinguish nor is it adapted so as to distinguish the wares of the Applicant from the wares and services of others, including the Opponent's wares in association with which the Opponent has used the Opponent's mark and names.

Onus and Material Dates

The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Act. There is however an initial burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded

that the facts alleged to support each ground of opposition exist. [*John Labatt Ltd v. Molson Companies Ltd.* (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298; *Dion Neckwear Ltd. v. Christian Dior, S.A. et al.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)]

The material dates for assessing each ground of opposition are as follows:

1. s. 30(i) - 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];
2. s. 16(1) - the Applicant's date of first use;
3. non-distinctiveness - the date of filing of the opposition [see *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.) and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 412 at 424 (F.C.A.)].

Section 16 Ground of Opposition

Regarding the entitlement ground, the Opponent is required to show use of its mark/names prior to the Applicant's date of first use and non-abandonment of its mark/names as of the date of advertisement of the Applicant's application [s. 16].

The Opponent's affiant states:

The Opponent's Wares sold in Canada are marked with the Opponent's Mark in one of the following ways: adhesive stickers and metal plates applied to the Opponent's Wares and as part of the molding from which such wares are cast. ... The Opponent's Mark also prominently appears on shipping labels affixed to the outside of packaging for the Opponent's Wares (e.g. cartons and shipping containers) when they are shipped to Canadian Customers.

[Paragraphs 12-13, Sandford affidavit, Exhibits "B" and "C"]

I have reviewed the exhibits provided and it appears to me that it is the trade-name Tri Tool Inc., not the trade-mark TRI TOOL, which appears on the Opponent's stickers, plates and labels. Therefore, while I am satisfied that the Opponent has met its initial burden under s. 16 with respect to its trade-name Tri Tool Inc., I am not certain that it has satisfied its initial burden with

respect to its trade-mark TRI TOOL or its other trade-name Tri Tool. At the oral hearing, the Opponent's agent argued that use of TRI TOOL INC. also qualifies as use of TRI TOOL, both as a trade-mark and as a trade-name. I do not intend to deal with these arguments further: if he is correct, then the grounds of opposition that rely on the Opponent's TRI TOOL trade-mark and trade-name share the same fate as the grounds that rely on the Tri Tool Inc. trade-name; if he is incorrect, then those grounds fail on the basis that the Opponent has not met its evidential burden.

In view of the foregoing comments, I will focus on assessing whether the Applicant has met its legal onus in respect of the likelihood of confusion between its Mark and the Opponent's previously used trade-name Tri Tool Inc.

the test for confusion

The test for confusion is one of first impression and imperfect recollection. Section 6(3) of the Act indicates that use of a trade-mark causes confusion with a trade-name if the use of both in the same area would be likely to lead to the inference that the wares or services associated with the trade-mark and those associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class. In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in s. 6(5) of the Act, namely: a) the inherent distinctiveness of the trade-mark and trade-name and the extent to which they have become known; b) the length of time each has been in use; c) the nature of the wares, services or business; d) the nature of the trade; and e) the degree of resemblance between the trade-mark and trade-name in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight. [See, in general, *Mattel, Inc. v. 3894207 Canada Inc.* [2006] 1 S.C.R. 772 and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée et al.* [2006] 1 S.C.R. 824.]

s. 6(5)(a) - inherent distinctiveness of the mark and name and the extent to which each has become known

Although TRI TOOL has some inherent distinctiveness, it is not an inherently strong mark or

name since it suggests a tool that has three parts or functions.

However, the strength of a mark or name may be increased by means of it becoming known through promotion or use. Since the material date is the date when the Applicant commenced use of its Mark, it follows that its Mark had not been used or promoted as of that time.

On the other hand, the Opponent, a U.S. company, has been in business for over 30 years and claims to have been selling its wares in Canada since at least as early as 1972. It distributes its wares to Canadian companies either directly or through a Canadian distributor. Canadian sales of “pipe machining equipment, including precision portable machine tools for pipe beveling, tube squaring and severing; clamshells for in-line cutting; flange facing equipment and heavy duty machinery for oil and gas pipelines” (the “Opponent’s Wares”) amounted to approximately \$2.245 million US between 1991 and 2001. Promotional brochures are distributed that display the Tri Tool Inc. trade-name (Exhibit “D”). “Each year, over 200 packages of such brochures are distributed throughout Canada.” Thousands of dollars are expended annually to promote in Canada the Opponent’s wares and services.

This factor therefore favours the Opponent.

s. 6(5)(b) - the length of time each has been in use

Clearly this factor favours the Opponent.

s. 6(5)(c) and (d) - the nature of the wares, services or business; the nature of the trade

Mr. Sandford makes the uncontested claim that the Opponent is the world’s largest manufacturer of pipe machining equipment, including precision portable machine tools for pipe beveling, tube squaring and severing; clamshells for in-line cutting; flange facing equipment and heavy duty machinery for oil and gas pipelines. The Opponent also provides the services of custom machinery design, on-site machining and equipment rental. The Opponent sells its wares and services in over 30 countries. In Canada, it sells either directly or through Canadian distributors. “Typical end users of the Opponent’s wares and services in Canada are active in a wide variety of industry sectors, including power generation, food processing, pharmaceuticals,

telecommunications, oil and gas, and construction.” The Opponent’s Canadian customers include Nortel, Babcock & Wilcox, Nova Chemical, Kiewit Offshore Services and Dominion Bridge.

“The Opponent’s Wares have been and continue to be used in the Canadian oil and gas sector, for example, by:

- (a) Imperial Oil (Esso) in connection with the construction, repair and maintenance of oil and gas pipelines;
- (b) Kiewit Offshore Services in connection with the construction of Hibernia offshore oil field drilling platforms; and
- (c) Customers of Justram [a Canadian distributor] as downhole cutters for oil production casings.”

[Paragraph 7, Sandford affidavit]

The Applicant, a Canadian company, manufactures, sells and rents oilfield downhole pressure and temperature sensors and provides services including custom reporting and calibrating downhole sensors. Its products are used around the world. The product that is the subject of the present application is a downhole sensor that is capable of measuring the downhole pressure and temperature of an oil or gas producing well. According to the invoices provided, it rents for approximately \$75 and sells for between approximately \$4000 and \$6000.

“Typical end users [of the Applicant’s products] are oil and well service companies. Cal-Scans were as [sic] have been and continue to be used in the Canadian Oil and Gas sector by major service companies for reservoir analysis. Such users include:

- WeatherFord Canada
- Precision Wireline
- Integrated Production Services Ltd. (IPS)
- Competition Wireline Services.”

[Paragraph 11, Carefoot affidavit]

The Applicant advertises its products in trade magazines such as *The Roughneck* and promotes its products and services every year at either the GO-Expo or Global Petroleum trade shows in

Calgary.

Mr. Carefoot attests at paragraph 17:

Cal-Scan's products bearing the Tri Tool mark are not used, in any way, with pipe cutting, pipe beveling lathes, cutoff devices, machining of pipe or any of the wares described in the Opponent's trade-mark application. The Tri Tool line of sensors are scientific instruments that are used in the oil and gas industry for testing oil and gas wells by providing pressure and temperature data used in the reservoir analysis of such oil and gas wells.

At the oral hearing, the Applicant's agent made various submissions about the nature of the oil and gas industry, essentially arguing that that the parties' wares relate to distinctly different sub-sectors of that industry. However, there is no evidence in the file concerning the nature of the oil and gas industry and it is not something that I can take judicial notice of.

The Applicant's agent also pointed out that the Opponent did not break its sales down by industry, leaving the possibility that the gas and oil industry may not represent a significant portion of its business. However, the Applicant forewent its opportunity to cross-examine Mr. Sandford to determine whether or not this is true. In any event, Mr. Sandford's attestation that the "Opponent is the world's largest manufacturer of pipe machining equipment, including precision portable machine tools for pipe beveling, tube squaring and severing; clamshells for in-line cutting; flange facing equipment and heavy duty machinery for oil and gas pipelines" (my emphasis) suggests that the oil and gas sector is in fact a significant client.

s. 6(5)(e) - the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them

The parties' mark and name are essentially identical.

other surrounding circumstances

Mr. Carefoot attests that to the best of his knowledge the Applicant is not aware of a single instance of confusion.

It is of course not necessary for the Opponent to evidence confusion in order for me to find that there is a likelihood of confusion. Nevertheless, an absence of confusion over a relevant period of time, despite an overlap in the wares and channels of trade, may entitle one to draw a negative inference about the likelihood of confusion [see *Mattel, Inc. v. 3894207 Canada Inc.*, *supra* and *Monsport Inc. v. Vetements de Sport Bonnie (1978) Lteé (1988)*, 22 C.P.R. (3d) 356 (F.C.T.D.)].

When Mr. Carefoot signed his affidavit, the Applicant's Mark had been used for less than two years [see my discussion of the Applicant's use below under the distinctiveness ground of opposition] and I do not consider the lack of evidence of confusion to be a significant factor in the present case.

The Applicant has submitted that TRI is commonly found in marks that are associated with a broad variety of wares, including tools. However, there is no evidence that this is the case.

conclusion re likelihood of confusion

In view of the extremely high resemblance between TRI TOOL and Tri Tool Inc., the overlap in the parties' target industries and the fact that only the Opponent had acquired a reputation in association with its name as of the material date, I find that the Applicant has failed to satisfy its legal burden. In so doing, I acknowledge that there are differences between the parties' wares and that the wares' users may be sophisticated. Nevertheless, the following words of the Federal Court in *Conde Nast Publications Inc. v. Union des Editions Modernes (1979)*, 46 C.P.R. (2d) 183 at 188 apply in large measure to the case at hand:

It has appropriated the appellant's mark in its entirety It is axiomatic that the first word or the first syllable in a trade mark is far the more important for the purpose of distinction. Here the first and most important word in the mark which the respondent seeks to register is identical to the mark registered by the appellant.

If there is doubt whether the registration of a trade mark would cause confusion with a prior mark the doubt must be resolved against the newcomer.

As pointed out by the Opponent's agent, the Applicant could have chosen any name for its wares

but instead chose a mark which is the name of a company that has been servicing the Applicant's target industry sector for decades.

For the foregoing reasons, the s. 16(1) ground succeeds based on the Opponent's prior use of its trade-name Tri Tool Inc.

Distinctiveness Ground of Opposition

With regard to its distinctiveness ground, the Opponent is required to show that, as of the filing of the opposition, its mark/names had become known sufficiently to negate the distinctiveness of the Mark. [*Motel 6, Inc. v. No. 6 Motel Ltd.* (1981), 56 C.P.R. (2d) 44 at 58 (F.C.T.D.); *Re Andres Wines Ltd. and E. & J. Gallo Winery* (1975), 25 C.P.R. (2d) 126 at 130 (F.C.A.); and *Park Avenue Furniture Corporation v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 412 at 424 (F.C.A.)] I am satisfied that it has succeeded in this regard with respect to its trade-name Tri Tool Inc.

Most of the discussion of the surrounding circumstances set out under the s. 16 ground apply equally to the distinctiveness ground of opposition. However, given the later material date of December 10, 2003, under this ground there is evidence of use and promotion of the Applicant's Mark that must also be considered.

At paragraph 5, Mr. Carefoot attests, "In 2002, Cal-Scan introduced tools known as the 'Badger Tri Tool' and the 'Mole Tri Tool'." Brochures promoting these tools were first published on or about June 2002 and December 2002, respectively. I note that in the promotional materials, TRI TOOL sometimes appears on its own and sometimes appears as part of the marks BADGER TRI TOOL and MOLE TRI TOOL. [Exhibits "C", "D" and "F", Carefoot affidavit] Mr. Carefoot attests that the Applicant "stamps the Tri Tool name into the steel casing of the Tri Tool sensor". [Paragraph 9, Exhibit "E"]

Advertisements for the Applicant's products appeared in the December 2002, January 2003 and March 2003 editions of *The Roughneck* magazine. However, the circulation figures have not been provided for this publication.

The Applicant has expended approximately \$5000 in each of the years 2002 and 2003 to exhibit at a trade show in Calgary, but we have not been provided with any information that would enable one to assess to what degree this resulted in its Mark becoming known.

“Approximate annual revenues earned by Cal-Scan from the sales and rentals of its Tri Tool product line and related Tri Tool products and services from customers located in Canada and in the United States are as follows:

<u>Year</u>	<u>Revenues</u>
2002	\$128,624
2003	\$285,308...”

[Paragraph 12, Carefoot affidavit]

I cannot however ascribe all of the Applicant’s evidence of use or promotion to TRI TOOL *simpliciter*, as opposed to BADGER TRI TOOL or MOLE TRI TOOL. As noted by the Opponent, even the Applicant’s invoices sometimes identify its wares as BADGER TRI TOOL or MOLE TRI TOOL [see Exhibit “F”].

The Opponent has pointed out that the Applicant’s affiant has lumped Canadian and U.S. sales together and that more than half of the invoices provided by Mr. Carefoot as Exhibit “H” relate to sales to the U.S. While I agree that the sale of products to the U.S. might not attribute to the accrual of a reputation in association with the Mark in Canada, sales from Canada to the U.S. do qualify as use of the Mark in Canada pursuant to s. 4(3) of the Act.

The Opponent has also pointed out that the majority of the Applicant’s invoices relate to the leasing of the Applicant’s wares, rather than the sale of such wares. However, I agree with the following comments from paragraphs 7-8 of *J.H. Lock & Sons v. Joseph Lewis Sciamanna d.b.a. Sound Systems* (1989), 26 C.P.R. (3d) 478:

7 Again, I cannot subscribe to the contention that the provision of rentals is a service only, within the meaning of the Act. The definition of a trade mark under s. 2 reads as follows:

"trade-mark" means

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,

(Emphasis added.)

8 The intention of this section is further clarified in s-s. 4(1) through the use of the wording: "... if, at the time of the transfer of the property in or possession of ...".

Having carefully considered all of the surrounding circumstances, I conclude that the Applicant has not met its legal burden with respect to the distinctiveness ground of opposition. This ground therefore also succeeds based on the Opponent's trade-name Tri Tool Inc.

Section 30(i) Ground of Opposition

This ground of opposition fails for two reasons: i) the Opponent has not alleged or evidenced that the Applicant was aware of the Opponent's prior rights when it filed this application; and ii) 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.]

Disposition

Having been delegated by the Registrar of Trade-marks by virtue of s. 63(3) of the Act, I refuse the application pursuant to s. 38(8).

DATED AT TORONTO, ONTARIO, THIS 18th DAY OF JANUARY 2008.

Jill W. Bradbury
Member
Trade-marks Opposition Board