

IN THE MATTER OF AN OPPOSITION by Convectair-NMT Inc. to
Application No. 874,280 for the trade-mark CONVECTAIRE in the name of
Salton Appliances (1985) Corporation.

On April 3, 1998, Salton Appliances (1985) Corporation (the “Applicant”) filed an application to register the trade-mark CONVECTAIRE (the “Mark”) based on proposed use in association with “toaster ovens with convection cooking”.

The application was advertised for opposition purposes on February 3, 1999. Convectair-NMT Inc. (the “Opponent”) filed a statement of opposition on March 18, 1999. The Applicant filed and served a counter statement denying essentially all the grounds of opposition on May 12, 1999.

The Opponent’s Rule 41 evidence consists of a Certificate of Authenticity of Registration No. 295,449 for the trade-mark CONVECTAIR Design and of an affidavit of Bernard Pitre executed on November 23, 1999. The Applicant’s Rule 42 evidence consists of an affidavit of Jerry Solomon executed on June 14, 2000. The Opponent filed as Rule 43 evidence an affidavit of Jean-Marie Falquet executed on November 20, 2000, the Opponent subsequently requesting leave to file said affidavit as additional evidence pursuant to Rule 44(1). As the Opponent’s request for leave was granted on June 1, 2001, the affidavit of Jean-Marie Falquet is part of the record as additional evidence pursuant to Rule 44(1). None of the deponents has been cross-examined. Neither party filed a written argument.

On September 26, 2003, the Opponent requested leave to file an amended statement of opposition. On December 16, 2004, after considering both parties submissions, the Chair of the Opposition Board partly granted the Opponent’s request for leave, denying leave to amend paragraph 3(a) of the statement of opposition to add “toasters” in the list of wares associated with the Opponent’s alleged trade-mark CONVECTAIR. Pursuant to the ruling of December 16, 2004, the Opponent filed a revised statement of opposition reflecting the accepted amendments on December 29, 2004.

Both parties were represented at the oral hearing held on March 31, 2005.

At the oral hearing, the Opponent requested leave to amend paragraph 3.a of the statement of opposition. The relevant part of said paragraph, with the proposed amendment underlined, is reproduced hereafter:

"3. ...car à la date de production de la demande sous opposition de même qu'à toute époque pertinente, LA MARQUE créait de la confusion avec la marque

a.1 CONVECTAIR

antérieurement employée ou révélée au Canada par l'opposante ou ses prédécesseurs en titre en liaison avec ses marchandises, services et entreprise d'appareils de chauffage à convection, de même que des grille-pains.

et ce contrairement aux dispositions de l'alinéa 16(3)(a) de la Loi; "

In support of the request, the Opponent's agent reiterated the arguments that were presented in support of the earlier request of September 26, 2003. For the reasons set forth hereafter, I was not satisfied that it was in the interest of justice to grant leave pursuant to Rule 40 and I have therefore denied the Opponent's request.

The Opposition Board Practice Notice states that leave to amend a statement of opposition will only be granted if the Opposition Board is satisfied that it is in the interests of justice to do so having regard to all the surrounding circumstances including: 1) the stage the opposition proceeding has reached; 2) why the amendment was not made earlier; 3) the importance of the amendment; and 4) the prejudice which will be suffered by the other party.

The opposition proceedings had reached the hearing stage at the time of the Opponent's request. The Opponent submitted that the purpose of the amendment was to bring the statement of opposition into conformity with the Opponent's evidence. However, the Opponent did not provide any explanation as to why the amendment was not made earlier. In this regard, it should be noted that the affidavit of Mr. Pitre was filed on November 29, 1999 and the affidavit of Mr. Falquet was originally filed on November 22, 2000 as Rule 43 evidence. Even if I were to assume that the Opponent delayed its request for leave because of concerns regarding the acceptability of its Rule 43 evidence, any such concerns were alleviated on June 1, 2001 when Mr. Falquet's affidavit was accepted as Rule 44(1) evidence. At no time did the Opponent provide any reasons to justify why it did not request leave earlier, or at least shortly after June 1, 2001. In the present case, there has been a serious delay in submitting the Opponent's request which, by itself, would appear to outweigh the potential value of the proposed amendment. When the late stage of the opposition and the potential prejudice to the Applicant are factored in, the balance tips decidedly against the Opponent.

Accordingly, the grounds of opposition are those set forth in the amended statement of opposition of December 29, 2004, which can be summarized as follows:

1. The application does not comply with the requirements of Section 30 of the *Trade-marks Act* (the "Act") since (a) the applicant was already using the Mark in Canada, in whole or in part; (b) alternatively or cumulatively, the Applicant never intended to use the Mark in Canada, or has

abandoned partly or entirely the Mark by way of non-continuous use; and (c) the statement that the Applicant is satisfied as to its entitlement to the use of the Mark in Canada is false in view of the content of the statement of opposition.

2. The Mark is not registrable pursuant to Section 12(1)(d) of the Act since it is confusing with the Opponent's trade-mark CONVECTAIR Design of Registration No. 295,449 in association with "appareils de chauffage à convection".
3. The Applicant is not the person entitled to registration of the Mark since:
 - a. at the date of the application, as well as at any other relevant time, the Mark was confusing with the Opponent's trade-mark CONVECTAIR previously used or made known in Canada by the Opponent, its licensees or its predecessors in title in association with its wares, services and business of convection heating units contrary to the provisions of Section 16(3)(a) of the Act;
 - b. at the date of the application, as well as at any other relevant time, the Mark was confusing with the Opponent's trade-names CONVECTAIR and CONVECTAIR-NMT previously used or made known in Canada by the Opponent, its licensees or its predecessors in title in association with its wares, services and business of convection heating units or relating thereto contrary to the provisions of Section 16(3)(c) of the Act;
 - c. (i) the application does not comply with the requirements of Section 30; (ii) the Mark is not a proposed one but rather a used or an abandoned one by way of non-continuous use; and (iii) the Mark is not registrable, all contrary to Section 16(3) introductory of the Act.
4. The Mark is not distinctive and is not adapted to distinguish the Applicant's wares from the wares associated with the Opponent's trade-marks and the Opponent's trade-names. The Opponent further alleges that the Mark is not distinctive because (a) as a result of a transfer of the Mark, more than one person had rights into the Mark and exercised these rights contrary to the provisions of Section 48(2) of the Act; and (b) the Mark is used outside the scope of the licensed use provided by Section 50.

I note that there would appear to be no case in which the allegations in support of the ground of opposition based upon the introductory wording of Section 16(3) could not be more appropriately and directly raised under other grounds of opposition. In my view, the ground of opposition based upon the introductory wording of Section 16(3) as pleaded is without legal basis under section 38(2)(c). I therefore immediately dismiss that ground of opposition. If I have erred in dismissing the ground of opposition

based upon the introductory wording of Section 16(3), I will be deciding its outcome in determining the grounds of opposition pleaded under Section 38(2)(a) and 38(2)(b) because the allegations are identical.

Opponent's evidence

Certificate of Authenticity of Registration No. 295,449

It evidences that the Opponent owns the registration and that the trade-mark, as illustrated hereafter, has been registered in association with "appareils de chauffage à convection" on the basis of use in Canada since at least March 1982.



Affidavit of Bernard Pitre

Mr. Pitre has been Secretary Treasurer of the Opponent since May 14, 1984. He states that the Opponent has been incorporated under the name Convectair-NMT Inc. pursuant to the laws of Canada and operates a business involved in the design, sale, promotion and distribution of electrical convection heating units. Extracts of the Opponent's website, which were printed on November 8, 1999, are provided as Exhibit BP-1 to illustrate the Opponent's products. There is no information as to when the Opponent started operating its website or as to the number of Canadians that have accessed the website at any time whatsoever.

I must point out that throughout his affidavit, Mr. Pitre refers to "*la marque CONVECTAIR*", the only distinction between the word mark or the design mark of Registration No. 295,449 being found at paragraph 7, which reads:

"Depuis 1983, l'opposante a vendu au Canada au-delà de 500.000 unités de chauffage en liaison avec la marque CONVECTAIR. Les unités de chauffage sont vendues sous l'une ou l'autre des marques mentionnées à l'extrait BP-1 mais toujours également en association avec la marque CONVECTAIR –en forme nominale ou graphique telle que mentionné dans l'enregistrement TMA295.449) et nom commercial Convectair."

Also, except the reference to "*le nom commercial Convectair*" at paragraph 7, all references to the trade-name "Convectair" in his affidavit are combined with a reference to the trade-mark, i.e. "*les nom et marque CONVECTAIR*".

In reviewing Exhibit BP-1, I have noticed the trade-mark CONVECTAIR Design displayed at the top of some of the pages. There are some recommendations for the purchase and installation of the units, including the consultation of a professional electrician. Exhibit BP-1 illustrates (a) convection heating

units for living areas of a house, these units being also associated with other names such as ALTO, MEZZO, SOLO, APERO, LE PROGRAMMEUR and TÉNOR; (b) convection heating units for a bathroom, these units being also associated with other names such as JAZZ, CALYPSO and BOLÉRO; and (c) an automatic hand dryer specifically designed for public places and any other areas where hand drying is frequent, such as shopping centres, sports complexes, hospitals, restaurants and hotels, this product being also associated with the name JETSTREAM. Although the standard of the reproduction could have been much better, I may observe that the trade-mark CONVECTAIR Design is displayed on the units themselves, but not any of the other above mentioned names.

The Applicant argued that Mr. Pitre himself declares that the Opponent's wares are sold in association with other trade-marks than CONVECTAIR. Further, the Applicant argued that these other trade-marks are advertised and promoted with as much importance as CONVECTAIR. The Opponent counter-argued that ALTO, MEZZO, SOLO, etc. are used as model names rather than as trade-marks. Although the Applicant's submission is not without merits, the appearance of the other names on the Opponent's website does not constitute use of trade-marks in association with wares within the meaning of Section 4(1) of the Act [see *Clairol International Corp. v. Thomas Supply & Equipment Co. Ltd* (1968), 55 C.P.R. 176]. Therefore, I accept the Opponent's argument that ALTO, MEZZO, SOLO, etc. are rather used as references to model names. Even if I were to assume that there could be proper use of the names as trade-marks within the meaning of Section 4(1), they could arguably be used as secondary marks. In any event, the display of the trade-mark CONVECTAIR Design on the units themselves supports Mr. Pitre's allegation that the wares are always sold in association with the CONVECTAIR mark.

I have also reviewed Exhibit BP-1 in reference to the Opponent's alleged trade-names "Convectair" and "Convectair NMT-Inc.". I have noticed some occurrences for "Convectair" in the text of some pages, such as "*Si vous êtes un électricien et que vous voulez en savoir plus: contactez Convectair ou un membre de son équipe*"; "*L'expertise technologique de Convectair...*".

In *Mr. Goodwrench Inc. v. General Motors Corp.*, (1994), 55 C.P.R. (3d) 508 (F.C.) Simpson J. wrote at pages 511-512:

"Sections 2 and 4(1) of the Act define and describe situations in which a trade mark (not a trade name) is deemed to be used in association with wares.

[...]

There are no provisions in the Act which define and describe the use of a trade name. However, in his decision in Professional Publishing Associates Ltd. v. Toronto Parent Magazine Inc. (1986), 9 C.P.R. (3d) 207 at p. 217, 39 A.C.W.S. (2d) 440 (F.C.T.D.), Mr.

Justice Strayer considered the problem and held that the principles in ss. 2 and 4(1) of the Act apply to trade name use. In this regard, His Lordship said:

While there is no definition in the Trade Marks Act of "use" in relation to trade names, I am satisfied that consistent with the purposes of the Act such "use" would have to be in the normal course of trade and in relation to the class or classes of persons with whom such trade is to be conducted.

Accordingly, use in the normal course of trade will be the test applied in these reasons."

The issue of whether CONVECTAIR can be used as a trade-mark and a trade-name at the same time depends on the circumstances [see *Road Runner Trailer Mfg. Ltd. v. Road Runner Trailer Co. Ltd.* (1984), 1 C.P.R. (3d) 443 (F.C. Trial Division)]. While occurrences of the word "Convectair" in the text of the website pages may amount to use of a trade-name in association with the Opponent's business, it does not amount to use in association with the Opponent's wares. In this instance, the display of "Convectair" on the units themselves supports a finding of trade-mark use rather than trade-name use. I have not found any references to the trade-name Convectair-NMT Inc. in Exhibit BP-1. Moreover, contrary to the Opponent's submission, I find that the incorporation of the Opponent under the name Convectair-NMT Inc. does not by itself constitute use of that name as a trade-name [see *Pharmx Rexall Drugs Stores Inc. v. Vitabin Investments Inc.* (1995), 62 C.P.R. (3d) 108 (T.M.O.B.)].

According to Mr. Pitre, the Opponent's annual sales figures of CONVECTAIR heating units have been in the amount of 5 to 10 million dollars per year since 1990, these sales figures representing a volume of sales of 30 to 50 thousands heating units per year. Mr. Pitre indicates that he voluntarily does not provide more specific figures with respect to the value and volume of the Opponent's sales for reasons of confidentiality and trade secret peculiar to the Opponent's business.

Mr. Pitre declares that the name and mark CONVECTAIR are well known by the consumers through substantial publicity targeting the consumer, the reputation of excellence and quality attaching to the product, the provision of consumer advice, the product design and the substantial sales. According to Mr. Pitre, these and the fact that the Opponent has expanded its products range to cover hand dryers lead to the conclusion that a consumer would believe that the toaster ovens associated with the Mark emanate from the Opponent. In addition to being self-serving, I find that Mr. Pitre's statements are conclusion of law to be determined by the Registrar and therefore inadmissible.

I note that Mr. Pitre refers specifically to the page "*Quel puissance d'appareil ai-je besoin*" of Exhibit BP-1 to support his allegation of provision of consumer advice. While I have noticed said sentence as part of the text of the first page, there is no page with such a title, nor can I conclude that there

is a relationship between that sentence and any pages comprising Exhibit BP-1. In any event, the exhibit by itself falls far from establishing that the Opponent provides consumer advice. Exhibit BP-1 lends support to Mr. Pitre's allegation that the Opponent has expanded its products range to cover hand dryers. However, there is no statement or indication for determining when hand dryers were first manufactured by the Opponent. At the hearing, the Opponent's agent acknowledged that the only relevant information in this regard is the printout date of the website pages, that is November 8, 1999. Nonetheless, since Mr. Pitre did not distinguish the value and volume of the sales of convection heating units for house and bathrooms versus the sales of hand dryers intended for public places, I cannot draw any conclusions with respect to the extent of the Opponent's sales of hand dryers.

Affidavit of Jean-Marie Falquet

Mr. Falquet is President and Chief Executive Officer of the Opponent. He has been employed by the Opponent since 1985. Here again, I point out that Mr. Falquet throughout his affidavit does not distinguish the word or the design mark rather referring to "*unités de chauffage CONVECTAIR*". Further, Mr. Falquet does not refer to any of the alleged trade-names.

While Mr. Falquet acknowledges that the Opponent sells its wares through specialized resellers rather than directly to the consumers, he adds that because the wares are intended for consumers and not for commercial or industrial businesses, the Opponent's target market is the consumer as in the case of the Applicant.

I should start my analysis of the affidavit by reviewing hereafter its Exhibit JMF-1 that comprises a four-page catalogue as well as French and English versions of a thirty two page magazine published by the Opponent.

The trade-mark CONVECTAIR Design appears at the top of the front page of the catalogue. A website address and telephone number are displayed at the bottom of the front page. The trade-mark CONVECTAIR Design also appears at the right bottom corner of the back page, where it is accompanied with website address, telephone and facsimile numbers. The catalogue provides general information with respect to the Opponent's wares as well as brief information with respect to warranties. There are photographs depicting convection-heating units installed in bathrooms as well as in various living areas of a house, including a kitchen, a bedroom, and a stained glass window room. Model names and product descriptions appear on the side of the photographs. In spite of the small size of the units depicted by the photographs, I am satisfied that they correspond to units illustrated on the website (Exhibit BP-1) and, as such, that the trade-mark CONVECTAIR Design is displayed on the units themselves. There is no date on

the catalogue. However, a contest entry-coupon to be mailed to Convectair-NMT Inc. between October 1, 2000 and January 22, 2001 for a draw of January 29, 2001 is found on the back page.

Insofar as the magazine is concerned, the trade-mark CONVECTAIR Design is displayed at the top of the front page beneath references to "Convectair Magazine" and "Autumn 2000 No. 1". It has been noted by the Applicant, and correctly so, that the editorial page of the magazine confirms that the Autumn 2000 issue was the first edition of the magazine. The trade-mark CONVECTAIR Design is also displayed at the right bottom corner of the back page accompanied with the name Convectair-NMT Inc. with street, website and email addresses as well as telephone and facsimile numbers being provided. The magazine is devoted to the Opponent's wares. There are photographs depicting convection heating units installed in bathrooms and in various living areas of a house, including living rooms, kitchens and bedrooms, as well as hand dryers for public places, all these units being presented with model names and detailed technical sheet. The Opponent's trade-mark CONVECTAIR Design is displayed on the units themselves, but not any of the model names. There is a page providing answers to "20 frequently asked questions about the Convectair heating system". There is at the back page a mention that the Opponent's systems are sold and installed by licensed electrical contractors as well as a mention to call Convectair for the most recent price list or to find the nearest licensed electrical contractor.

I am now reverting to Mr. Falquet's affidavit, more particularly to paragraphs 6 and 7 that read as follows:

*"6. La publicité générale que fait l'opposante pour ses unités de chauffage **CONVECTAIR** en est une dirigée au grand public et ce, tel qu'il appert, par exemple, du catalogue courant que je produis comme élément JMF-1 au soutien de mon affidavit. Ce catalogue est d'ailleurs représentatif d'un type de moyen de promotion utilisée par l'opposante au Canada pour faire connaître au grand public ses unités de chauffage **CONVECTAIR**. Ce catalogue a, à titre illustratif, coûté 100 milles dollars à l'opposante. L'opposante est d'ailleurs présentement engagée, pour l'automne 2000, dans une importante campagne publicitaire et visuelle pour ses unités de chauffage **CONVECTAIR**, campagne qui, avec les encarts dans les journaux, lui coûtera environ 6000 mille dollars; cette campagne est dirigée pour les consommateurs du grand public.*

*7. Depuis 1990, l'opposante a d'ailleurs dépensé, par année, au moins 500 mille dollars à titre de publicité et de promotion pour ses unités de chauffage liées à la marque **CONVECTAIR**. Cette publicité s'adresse d'abord et avant tout aux consommateurs; il en est de même des 25 à 30 salons d'exposition aux consommateurs (ce qui exclut les trade shows destinés aux gens de l'industrie) auxquels participe annuellement l'opposante pour la promotion de ses unités de chauffage **CONVECTAIR**. "*

The Applicant has argued that since Mr. Falquet did not tender any documentary evidence with respect to the advertising campaign taking place in the fall of 2000, his allegations regarding this advertising

campaign are speculative. While a more complete picture of the Opponent's advertising campaign would likely have been elicited by cross-examination, the Applicant elected to forgo cross-examination. Further, in the absence of cross-examination, I have no reason to question the reliability of Mr. Falquet's written testimony with respect to the advertising campaign. I am also ready to accept the Opponent's submission that Mr. Falquet clearly states that the catalogue is only one means of promotion. Nonetheless, I find that there are serious deficiencies with respect to the evidence introduced at paragraphs 6 and 7. Since Exhibit JMF-1 includes a catalogue as well as a magazine, one is left to guess as to whether the statement "... *Ce catalogue a, à titre illustratif, coûté 100 milles dollars à l'opposante*" applies to the four-page catalogue or the magazine or to both. In addition, there is no indication as to how many copies of the catalogue or of the magazine have been distributed, in which area and when. The magazine was obviously printed for the fall of 2000. As for the catalogue, it seems fair to assume that it was distributed around the period indicated on the contest entry-coupon. Since there is not an iota of information specific to TV ads or to advertisement in newspapers, including specimens of these advertisements, not much weight can be ascribed to the allegations with respect to advertising on TV and in newspapers. I further find that no significant degree of weight can be afforded to the bald statements with respect to trade-shows.

Mr. Falquet also relies on the Opponent's website as confirming that the CONVECTAIR heating units are first intended for the consumers who are targeted by the Opponent's promotional and advertising activities.

Mr. Falquet states (paragraph 9) that the Opponent "... *a un important service de consultation où les consommateurs s'adressent directement à elle pour connaître ses unités de chauffage CONVECTAIR... Ce service est rendu directement à tous les consommateurs qui en font la demande. Annuellement environ 10,000 consultations sont ainsi données..*". On one hand, in the absence of cross-examination, I have no reason to question the reliability of Mr. Falquet's statements with respect to the consulting services. On the other hand, these statements by themselves do not evidence use of the Opponent's alleged trade-marks and trade-names in the advertising or performance of these services. In addition, although Mr. Falquet indicates that 10,000 consultations are taken place annually, he does not indicate where or since when these have taken place.

Mr. Falquet states that the Opponent offers a significant after-sale service, which in his opinion is evidenced by the "catalogue", and that these services are for consumers rather than resellers. Although the catalogue and magazine mention warranties available to the consumers, I agree with the Applicant's submission that neither the catalogue nor magazine evidences "significant" after-sale services in association with the alleged trade-marks and trade-names.

According to Mr. Falquet, approximately 500 toasters bearing the mark CONVECTAIR have been distributed by the Opponent between 1987 and 1990 as a gift to some of its resellers/distributors. I agree with the Applicant's submission that this allegation does not establish that a connection exists between the Opponent's activities and those of the Applicant. Furthermore, I find that this statement does not lend support to the Opponent's case. First, in the absence of supportive documentation or specimen, Mr. Falquet's allegation is a bald statement that does not evidence use of the trade-mark in association with toasters. Moreover, the alleged distribution of toasters took place during three years only and was abandoned in 1990. Therefore, I do not consider that the distribution of toasters has any determinative impact on the case. As an aside, I would add that the distribution of toasters as a gift to resellers/distributors seemingly contradicts that Opponent's argument that its publicity targets the consumers.

Finally, Mr. Falquet states that because of his experience, he is convinced that when seeing the Mark affixed on a toaster oven with convection cooking, a consumer would believe that it is a new product developed by the Opponent, more particularly since the wares at issue all involve electrical and convection heating technology. This statement is a conclusion of law to be determined by the Registrar and therefore inadmissible.

Applicant's evidence

Mr. Solomon, who has been Vice-President of the Applicant since April 1985, describes the Applicant's business as importing, selling and distributing electrical and non-electrical houseware products across Canada.

He states that the Applicant adopted the Mark in March 1998, which adoption was followed by the filing of the application. According to Mr. Solomon, the Applicant began to sell and deliver portable convection toasters ovens bearing the Mark to its retail customers in Canada in August 1998. He provides as Exhibit 2 a listing of the Applicant's retail customers. These customers consist of department stores, discount chains, kitchen specialties and home shopping companies. Mr. Solomon states that to the best of his knowledge none of the companies identified in the listing carry any of the electrical heating units sold by the Opponent. I note that 33 of the 34 retail customers identified in the listing are located in Canada, more particularly in the provinces of the Nova Scotia, Quebec, Ontario, Manitoba, British Columbia and Alberta.

Mr. Solomon provides the volume and dollar value of the Applicant's approximate gross sales for the wares associated with the Mark, namely: 5,125 units in 1998 for a value of \$450,000; 16,065 units in

1999 for a value of \$1,500,000; and 2,100 units in 2000 (5 months) for a value of \$200,000. Samples of the packaging for the wares and of the instruction manual included in the packaging are provided as Exhibit 3 and 4 respectively. I may observe from these exhibits that the Mark is displayed on the wares and the packaging as well as on the cover page of the instruction manual.

Exhibits 5 and 6 to the affidavit evidence that the wares associated with the Mark have been featured in the Fall/Winter 1999 and Spring/Summer 2000 issues of the *Weddingbells* magazine. Mr. Solomon states that the *Weddingbells* magazine is distributed through newsstands across Canada as well as handed out free of charge by many retailers to subscribers of their bridal registries.

Mr. Solomon provides some information with respect to the Applicant's promotional activities, but there is no information with respect to promotional expenditures. He provides a catalogue sheet (Exhibit 7) and a counter stand-up card (Exhibit 8) as samples of those that have been distributed by the Applicant to several of its retail customers for promoting the wares associated with the Mark. The wares associated with the Mark have been promoted at the Canadian Gift and Tableware Association Show, which took place in Toronto in August 1999, and at the Canadian Tire Show, which took place in Toronto on September 12 and 13, 1999. Photographs of the Applicant's booth at such shows are attached as Exhibits 9 and 10 respectively.

Attached as Exhibits 11 and 12 are pages of the Opponent's website that Mr. Solomon downloaded when browsing the website. These exhibits are filed in support of his statements that the Opponent's wares require installation by a professional electrician and that the Opponent's electrical heating units are sold through electrical contractors and installers who perform the installation.

Finally, Mr. Solomon states that the wares associated with the parties' trade-marks had co-existed in the market place for almost two years and that to his knowledge no instances of confusion between the wares had been brought to his attention or to the attention of the Applicant by any retail outlets or consumers.

I shall now deal with the grounds of opposition.

Section 30

The ground of opposition based upon non-conformity with Section 30 is pleaded as a three-prong ground of opposition. The first two parts raise the issue of non-conformity with Section 30(e) whereas the third part raises the issue of non-conformity with Section 30(i).

The material date for considering the circumstances with respect to the grounds of opposition based upon non-compliance with Section 30 is 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.)]. While the legal burden is on the Applicant to show that its application complies with Section 30, there is an initial evidential burden on the Opponent to establish the facts relied upon in support of its Section 30 grounds of opposition. Once this initial onus is satisfied, the Applicant has the burden to prove that the particular grounds of opposition should not prevent registration of the Mark [see *Joseph E. Seagram & Sons Limited v. Seagram Real Estate Ltd.* (1984) 3 C.P.R. (3d) 325 (T.M.O.B.); *John Labatt Ltd. v. Molson Companies Ltd.* (1990) 30 C.P.R. (3d) 293 (F.C.T.D.)]. Since it is difficult to prove a negative, and certainly more so in a case of a proposed use application, the initial burden upon the Opponent with respect to the ground of opposition based upon non-compliance with Section 30(e) is a relatively light one [see *Molson Canada v. Anheuser-Busch Inc.*, (2003) 29 C.P.R. (4th) 315 (F.C.)]. Also, the Opponent may rely upon the Applicant's evidence to meet its initial burden, but the Opponent must show that the Applicant's evidence is clearly inconsistent with the Applicant's claim [see *York Barbell Holdings Ltd. v. ICON Health & Fitness, Inc.* (2001), 13 C.P.R. (4th) 156 (T.M.O.B.)].

In addition to the fact that the Opponent has failed to file any evidence in support of its ground of opposition based upon non-conformity with 30(e), there is no evidence of record on which the Opponent may rely to discharge its burden of proof. I therefore dismiss the ground of opposition based upon non-conformity with Section 30(e)

With respect to Section 30(i), the Opponent has essentially alleged that the Applicant falsely made the statement that it was entitled to use the Mark in view of the content of the statement of opposition. The mere fact that the application is being opposed does not support a ground of non-conformity with Section 30(i) of the Act. I should decide, therefore, on the sufficiency of the pleading by considering both the evidence and the statement of opposition so as to determine whether the Applicant knew the case it had to meet [see *Novopharm Ltd. v. Astrazeneca et al* (2002), 21 C.P.R. (4th) 289 (F.C.A.)]. I find that it could at least be inferred that the Opponent was alleging that the Applicant could not have been satisfied that it was entitled to use the Mark because it was confusing with the Opponent's alleged trade-marks and trade-names. I am not satisfied, however, that there is any evidence of record from which I could conclude that the Applicant was aware of the Opponent's alleged trade-marks and trade-names. Moreover, even if it had been established that the Applicant was aware of any of the alleged trade-marks and trade-names prior to filing the application, it would not have been evidence that the Applicant could not have been satisfied of its entitlement to use the Mark on the basis, *inter alia*, that it was confusing with the Opponent's trade-marks and trade-names. I therefore dismiss the ground of opposition based on non-conformity with Section 30(i).

Section 12(1)(d)

As I have previously noted, both Mr. Pitre and Mr. Falquet throughout their respective affidavit refer to the trade-mark CONVECTAIR but not to the design trade-mark. I acknowledge, however, that the design feature, that is the fanciful script and the font employed to form the word “convectair”, are intrinsic with the word that forms the essential part of the trade-mark CONVECTAIR Design of Registration No. 295,449. In addition, the evidence shows the trade-mark CONVECTAIR Design displayed on the wares. Accordingly, I could reasonably consider the deponents’ references to the mark CONVECTAIR as references to the trade-mark CONVECTAIR Design of Registration No. 295,449 (the “registered Mark”).

The material date for considering the issue of confusion pursuant to Section 12(1)(d) is the date of my decision [see *Park Avenue Furniture Corp v. Wickers/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)]. The burden of proof lies on the Applicant to convince the Registrar, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the registered Mark [see *Dion Neckwear Ltd. v. Christian Dior, S.A.* (2002), 20 C.P.R. (4th) 155 (F.C.A.)].

Both parties during the hearing went into great length in arguing well known principles established by case law in deciding whether two trade-marks are confusing. Amongst others, the Applicant’s agent noted the following comments of Mr. Justice Decary in *Miss Universe Inc. v. Bohna* (1994) 58 C.P.R. (3d) 381 (F.C.A.):

"To decide whether the use of a trade mark or of a trade name causes confusion with another trade mark or another trade name, the court must ask itself whether, as a matter of first impression on the minds of an ordinary person having a vague recollection of that other mark or name, the use of both marks or names in the same area in the same manner is likely to lead to the inference that the services associated with those marks or names are performed by the same person, whether or not the services are of the same general class." (p. 387)

The Opponent’s agent noted the following comments of Mr. Justice Heald in *Oshawa Holdings Ltd. v. Fjord Pacific Marine Industries Ltd.* (1981), 55 C.P.R. (2d) 39 (F.C.A.):

"It is not necessary in my view for there to be actual use of the conflicting marks in the same area, nor for there to be evidence of actual confusion. The test of s-s. (2) and (3) of s. 6 is not what has happened in fact but what inference would likely be drawn if the appellant and respondent did use the conflicting marks and trade names in respect of the different classes of goods in the same area." (p. 43)

In *Polo Ralph Lauren Corp. v. United States Polo Association and al* (2000), 9 C.P.R. (4th) 51 (F.C.A.), Mr. Justice Malone summarized the guidelines to be applied when assessing the likelihood of confusion as follows:

"A review of some of the leading cases also establishes some practical guidelines. For example, the Court is to put itself in the position of an average person who is familiar with the earlier mark but has an imperfect recollection of it; the question is whether the ordinary consumer will, on seeing the later mark, infer as a matter of first impression that the wares with which the second mark is used are in some way associated with the wares of the earlier. With respect to the degree of resemblance in appearance, sound or ideas under subparagraph 6(5)(e), the trade-marks at issue must be considered in their totality. As well, since it is the combination of elements that constitutes a trade-mark and gives distinctiveness to it, it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of the marks when applying the test for confusion. In addition, trade-marks must not be considered in isolation but in association with the wares or services with which they are used. When dealing with famous or well-known marks, it may be more difficult to demonstrate that there is no likelihood of confusion, especially if the nature of the wares is similar. Lastly, the enumerated factors in subsection 6(5) need not be attributed equal weight. Each particular case of confusion might justify greater emphasis being given to one criterion than to others".

Factors to be considered in assessing the risk of confusion are set out at Section 6(5) of the Act as: (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known; (b) the length of time the trade-marks or trade-names have 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-marks and trade-names in appearance or sound or in the ideas suggested by them. These factors are not exhaustive since all the surrounding circumstances have to be considered.

Although the Mark and the registered Mark are coined word, each is formed by the common word "convection" in combination with either the word "air" or its phonetic equivalent "aire". As the word "convection" refers to the moving of heat from one place to another by heating a substance, such as air or water, and circulating the substance from a heat source to the area to be heated, there is a suggestive connotation attaching to each trade-mark when considering the wares associated therewith. Accordingly, I find that neither trade-mark possesses a high degree of inherent distinctiveness. I would further note that the design feature of the registered Mark does not increase its inherent distinctiveness since the fanciful script and the font employed are intrinsic with the word forming the essential part of the registered Mark [see *Canadian Jewish Review Ltd. v. The Registrar of Trade Marks* (1961), 37 C.P.R. 89 (Ex. C.)]. In instances such as this where trade-marks do not possess a high degree of inherent distinctiveness, they may, after prolonged use, acquire distinctiveness, the acquired distinctiveness being pertinent to the question of the ambit of protection to be accorded to a trade-mark. In view of the significant sales of

convection heating units associated with the registered Mark since 1990, the extent to which the trade-marks have become known clearly favours the Opponent.

There is no debate that the length of time each trade-mark has been used as well the degree of resemblance between the trade-marks in appearance, sound, and the ideas suggested all favour the Opponent.

In considering the nature of the wares and the nature of the trade, it is the statement of wares in the application and the statement of wares in the registration that govern the assessment of the likelihood of confusion under Section 12(1)(d) [see *Mr. Submarine Ltd. v. Amandista Investments Ltd.* (1987), 19 C.P.R. (3d) 3 (F.C.A.); *Miss Universe, Inc, supra*]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trade that might be encompassed by the wording. Evidence of the actual trades of the parties is particularly useful where there is ambiguity as to the wares or services covered by the application or registration at issue [see *McDonald's Corporation v. Coffee Hut Stores Ltd.* (1996), 68 C.P.R. (3d) 168 (F.C.A.)].

The Applicant's submission on the absence of confusion between the trade-marks are based on its contention that the differences between the wares and the channels of trade are sufficient to distinguish the trade-marks. At the hearing, the Applicant referred to a few decisions in which this Board or the Court concluded to the absence of confusion between similar trade-marks based on the differences between the nature of the wares and the channels of trade. As interesting as these precedents may be, it must be borne in mind that the issue of confusion between the Mark and the registered Mark is a question of probabilities and surrounding circumstances based on the particular facts of this case.

While I accept the Applicant's view that "toaster ovens with convection cooking" are housewares, it seems to me that they can be more precisely qualified as electric household appliances. According to the evidence, the wares described in the registration as "appareils de chauffage à convection" have always consisted in convection heating units for installation in various living areas of a house as well as in bathrooms. In addition, although I cannot draw any conclusion with respect to the extent to which the registered Mark has been used in association with hand dryers for installation in public places, the evidence shows the expansion of the Opponent's products range to hand dryers at least in November 1999. Should I be wrong in finding that the statement of wares of the registration encompasses hand dryers, then the expansion of the products range to hand dryers could be considered as an additional surrounding circumstance. The Applicant submitted that the fact that the Opponent's wares require installation by an electrician further distinguish these wares from the wares associated with the Mark, which are portable items.

The Applicant acknowledged that each party's wares have the attribute of generating heat, but submitted that the differences in the nature and intended use of each party's wares are sufficient to avoid a risk of confusion. The fact that each party's wares involved convection heating technology is the basis of the Opponent's submissions with respect to a risk of confusion, the Opponent arguing, and correctly so, that it is not necessary for the wares to fall into the same category to conclude to confusion.

The channels of trade associated with the registered Mark are dissimilar to the channels of trade associated with the Mark. The Applicant's wares are sold at retail level to their end users whereas the Opponent's wares are sold through electrical contractors who perform the installation. The Applicant argued that because the channels of trade associated with the registered Mark have remained the same for twenty years, there is no reasonable likelihood that the Opponent's wares will ever be sold at retail level. In support of its submission, the Applicant referred me to the decision *Canada Wire & Cable Ltd. v. Heatex Howden Inc.* (1986,) 11 C.I.P.R. 147 (F.C.) where Mr. Justice Jerome stated:

"Counsel for the respondent correctly then referred me to the decision of my colleague, Mr. Justice Dubé, in the Eminence S.A. v. Reg. T.M. (1977), 39 C.P.R. (2d) 40 (Fed. T.D.), decision, and clearly he went on from that point to say that it is maybe true that these products are not sold in competitive circumstances at the present time, but the parties do have the right to sell them in competitive circumstances. It seems to me test is entirely valid, but it must also be asked: is it likely? Is it likely that they will sell them in competitive circumstances? Because, indeed, likelihood of confusion is the very essence of the test of this appeal. Of course, there is evidence that these parties have the right to go on and sell in competitive circumstances, but there is no evidence that it is at all likely. It hasn't happened now in many years of history of both these companies, selling rather high volumes of their products. There is no reason for me to infer that while they do have the right to go on and do it that there's any likelihood that they are going to do it." (p. 151)

Applying Mr. Justice Jerome's reasoning, I agree with the Applicant's argument that I may reasonably conclude that it is unlikely that the Opponent's wares would ever be sold at retail level. That said the following comments of Mr. Justice Jerome illustrate that in concluding that the products were dissimilar and that he would expect their average consumer to come to the same conclusion, he took into consideration the fact that the consumers of the products associated with the trade-marks were more sophisticated than the average consumer:

"To some extent, I rely on the fact that the consumers of both these products are, in the great majority, industrial users. I imply from that that they are somewhat knowledgeable when they are going into the market for the acquisition of materials which will find their way into their construction projects on the one hand, and find their way into the major industrial automotive products on the other. The consumers of these products, for those purposes, are a little more sophisticated than the average consumer going into a supermarket to be influenced by high pressure advertising." (pp. 151-152).

While both affidavits filed by the Opponent are opened to criticism in the areas of promotional activities directed to the consumers, based on a fair reading of these affidavits as a whole, I believe that I may reasonably conclude that even if the Opponent does not sell directly its wares to the end users, i.e. the ordinary consumers, they are the Opponent's target market. Further, I may also reasonably conclude that there has been an increase in the Opponent's marketing efforts at least during the year 2000. Further, I am not convinced that the fact that the Opponent's wares require installation by an electrician lend supports to a finding that the differences between the wares and channels of trade are sufficient to avoid a risk of confusion. In this regard, it seems to me that the end users of the convection heating units are or have to be involved in the selection of wares to be installed in their home. Accordingly, and notwithstanding my conclusion that it is unlikely that the Opponent's wares would ever be sold at retail level, I believe the following comments of Mr. Justice Gibson in *Sunway Fruit Products, Inc. v. Productos Caseros, S.A.* (1964), 42 C.P.R. 93 (Ex. Ct.) are most relevant to the present case:

"I am also of the opinion that the matter of whether the wares were sold at wholesale or retail level is irrelevant in deciding whether there is or is not confusion within the meaning of s. 6 of the Act. In my view, in this case, the source of manufacture would be confused in the mind of the public, that is those members of the public who would probably buy these wares, such members having, as would be expected, at the material times, only a vague recollection of the precise mark."

The Applicant submitted that in the absence of evidence that heating units and housewares have ever been produced by the same manufacturers it will not occur to the ordinary consumer that the wares associated with the Mark come from the same source than the wares associated with the registered Mark. However, depending on the particular facts of a case, wares that may not be related may be perceived by the ordinary consumers as being related. In this instance, despite the differences in the nature and intended use of the Applicant's toaster ovens and the Opponent's heating units, these wares all involve convection heating technology. Therefore, I find it reasonable to conclude that they may be perceived by the ordinary consumers as being related. Since the Opponent's evidence disclosed that its convection heating units are installed in kitchens, it is not without merit for the Opponent to argue that it may turn out that its wares could be found in a home in close proximity to the Applicant's wares.

The Applicant submitted that the two-year period of coexistence on the market place without any instances of actual confusion or no incidents of actual confusion being evidenced by the Opponent is an additional surrounding circumstance that supports a finding that there would be no reasonable likelihood of confusion between the trade-marks. However, given the particulars facts of this case, including the fact that the Applicant's annual sales are not as significant as those of the Opponent, I do not think this additional circumstance outweigh the other particular circumstances.

In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. I find that there is a reasonable likelihood that the Mark will prompt the consumers to think that the wares associated therewith come from the same source as those covered by the registered Mark or that they are otherwise associated with the Opponent. Therefore, I find that the Applicant has not discharged its burden of showing, on a balance of probabilities, that the Mark is not confusing with the registered Mark and the ground of opposition based Section 12(1)(d) is successful.

Section 16(3)(a) and (c)

The relevant date in assessing the risk of confusion between the Mark and the trade-mark and trade-names relied upon by the Opponent in support of the ground of opposition based upon non-entitlement is the date on which the application for registration was filed, namely April 3, 1998. Despite the onus of proof on the Applicant to establish, on a balance of probabilities, that there is no risk of confusion, the Opponent has the initial onus of proving that it used its trade-mark and trade-names at the relevant date and that it had not abandoned using them at the date of advertisement of the application [Section 16(5)].

My conclusions regarding the issue of confusion between the Mark and the Opponent's registered Mark are for the most part applicable to the ground of opposition based upon Section 16(3)(a), the only significant differences being the material time for considering the circumstances. Following my analysis of the evidence, I find that the Opponent has discharged its onus of evidencing prior use and non-abandonment of the trade-mark CONVECTAIR in association with convection heating units. Thus I find that the ground of opposition based upon non-entitlement pursuant to Section 16(3)(a) is successful.

As for the ground of opposition based upon Section 16(3)(c), I find that the Opponent has not discharged its onus of evidencing use of the trade-name "Convectair-NMT Inc." in association with its wares or in association with the operation of its business nor has the Opponent discharged its burden of evidencing use of the trade-name "Convectair" in association with wares. While I am satisfied that there is evidence of use of the trade-name "Convectair" in association with the Opponent's business, I conclude that any such evidence is subsequent to the relevant date. Consequently, I reject the ground of opposition based upon non-entitlement pursuant to Section 16(3)(c).

Distinctiveness

While there is a legal onus is on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada [see *Muffin Houses Incorporated v. The Muffin House Bakery Ltd.* (1985), 4 C.P.R. (3d) 272 (T.M.O.B.)], there is an initial evidential burden on

the Opponent to establish the facts relied upon in support of its ground of non-distinctiveness. The material date for considering the issue of distinctiveness of the Mark is generally accepted to be the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) (F.C.T.D.)].

The ground of opposition based upon non-distinctiveness appears to be pleaded as a three-prong ground of opposition. The first pleading rests on the issue of confusion. As I came to the conclusion that the Mark is confusing with the Opponent's registered Mark and because the difference in relevant dates does not affect my analysis, I maintain the first pleading of the ground of opposition. As I have already held that the ground of opposition succeeds, I do not need to address the second and third pleadings.

Conclusion

Accordingly, and with the authority delegated to me under Section 63(3) of the Act, I reject the application to register the Mark pursuant to Section 38(8) of the Act.

DATED AT BOUCHERVILLE, QUEBEC, THIS 10th DAY OF MAY 2005.

Céline Tremblay
Member
Trade-marks Opposition Board