



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

Citation: 2014 TMOB 184
Date of Decision: 2014-08-29

**IN THE MATTER OF AN OPPOSITION
by Ranpro Inc. to application
No. 1,494,046 for the trade-mark FLAME
GARD & Design in the name of
Component Hardware Group, Inc.**

[1] On August 30, 2010, Component Hardware Group, Inc. (the Applicant) filed an application to register the trade-mark FLAME GARD & Design (the Mark), shown below, in association with the following wares on the following bases:



(1) Baffle grease filters, spark arrestor filters, duct access doors, bulkhead fittings. – *based on use in Canada by the Applicant and its predecessor in title Flame Gard, Inc. since at least as early as July 1999.*

(2) HVAC products, namely exhaust fans and curbs for use with kitchen ventilation systems, air handling equipment, namely exhaust fans and curbs for use with kitchen ventilation systems, ventilation equipment, namely ventilation ducts, ventilation air filters, canopy hood equipment and accessories, namely canopy hood lights, canopy hood gaskets, canopy hood cleaners, canopy hood filters, canopy hood dampers, registers, grills and diffusers, cooking hood equipment and accessories, namely cooking hood lights, cooking hood gaskets, cooking hood cleaners, cooking hood filters, cooking hood dampers, registers, grills and diffusers, ducting, namely grease ducts, cooking hood ducts, heating ducts, fume hoods, duct insulation, fire suppression equipment, namely grease filters, grease duct access doors, fire extinguishing equipment, namely grease filters, grease duct access doors, exhaust fans and curbs, grease cups, grease capture and

containment systems, namely grease filters, lighting fixtures and components, metal mouldings and dividers, silicon sealants, air filters for use in cooking equipment, air registers, dampers, namely control devices used in air ducts to regulate the flow of air, light diffusers, namely grills for use on canopy hood ducts, heat registers, supply grills, namely outlet grills for air ducts, pipe fittings, tools for use in the removal of grease filters and air filters, fire dampers, fan access doors, grease drains, insulation hangers, control boxes, conduit, electrical fittings, electrical switches, thermostats, heat sensors and fusible links for use in canopy hoods, grease ducts and cooking hood ducts – *based on proposed use*

(3) Metal access panels and metal access doors for ducts, namely, grease ducts, cooking hood ducts, heating ducts and ventilating ducts; grease filters for use on and in grease ducts, ventilating ducts and vent hoods at cooking locations; grease filters for filtering grease from ventilating duct gases; and baffles for influencing the direction and velocity of gases conducted by grease and ventilating ducts. – *based on use and registration in the United States*

(4) Air filtering installations comprised of mesh air filters, mouldings and dividers, grease cups and drains; canopy hood lighting fixtures and replacement parts, namely, dampers in the nature of control devices used in air ducts to regulate the flow of air, heat registers, light diffusers, and supply grills – *based on use and registration in the United States*

[2] The application includes the following colour claim:

Colour is claimed as a feature of the trade-mark. The mark consists of the words FLAME GARD with the red flame design surrounding the letter F. The letter F is in white and the remaining letters are in black

[3] The application was advertised for opposition purposes in the *Trade-marks Journal* of May 9, 2012.

[4] On May 14, 2012, Ranpro Inc. (the Opponent) filed a statement of opposition. The grounds of opposition can be summarized as follows:

- pursuant to sections 38(2)(a) and 30(a) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act) the application does not contain statements in ordinary commercial terms of the Wares; specifically, with respect to the wares “air filtering installations comprised of mesh air filters, mouldings and dividers, grease cups and drains”, which is vague and imprecise due to the use of the word “installations” which does not allow the purpose for such wares to be known let alone known with precision
- pursuant to sections 38(2)(a) and 30(b) of the Act, the application does not comply with section 30(b) because

- i. the Mark was not used in Canada by the Applicant and its predecessor in title since the claimed date with Wares (1), or any subset thereof; and/or
 - ii. the trade-mark allegedly used is not the Mark; and/or
 - iii. the use (which is denied) of the Mark with each of Wares (1) has not been continuous since the claimed date of first use.
- Pursuant to sections 38(2)(a) and 30(d), the application does not comply with section 30(d) of the Act because,
 - i. The Applicant and its predecessor in title never used the Mark in the US in association with each of Wares (3) and (4), and the Applicant is not the owner of the alleged foreign registrations, and at the date of filing the application for the Mark it was not in use in the US; and/or
 - ii. The use, which is denied, of the Mark in the US in association with Wares (3) and (4) has not been continuous for each of these wares; and/or
 - iii. The Applicant and its predecessor in title never used, as alleged in the application, the Mark in the US in association with each of the wares referred to in said application as having been used in the US, and the Applicant is not the owner of the alleged foreign registrations, and at the date of filing of the application the Mark was not in use in the US, and/or
 - iv. The purported assignment of the Mark from the Applicant's predecessor in title to the Applicant is invalid.
- Pursuant to sections 38(2)(a), 30(d) and 30(h), the application does not comply with sections 30(d) and 30(h) because the trade-mark allegedly used is not the Mark, but another different trade-mark.
- Pursuant to sections 38(2)(a) and 30(i), the application does not comply with section 30(i) because,
 - i. the Applicant could not be and can still not be satisfied that it is entitled to use the Mark in Canada in association with the Wares, since at the date of filing the application for the Mark, the Applicant was aware of the Opponent's registered trade-marks FLAME-GARD (TMA233,364) and FLAME GARD Design (TMA593,333), shown below, (the Opponent's Marks);



- ii. given that the application does not contain statements in ordinary commercial terms of the specific wares in association with which the Mark is used and proposed to be used, the Applicant could not have been satisfied as to its entitlement to use the Mark;
 - iii. The actual and proposed use of the Mark in association with the Wares suggest that such applied for wares have been authorized, licensed or approved for the Applicant's use by the Opponent or that they are used in the business of the Opponent, the more so given that the Opponent has authorized, licensed or approved others to use a confusingly similar mark to the Mark. Such use by the Opponent is without the authorization, license or approval of the Applicant. Accordingly the Applicant could not have been satisfied of its entitlement because it had or ought to have had prior knowledge of the use by the Opponent of its marks;
 - iv. The Applicant could not be and still can not be satisfied that it is entitled to use the Mark in association with the Ware since the purported assignment of the Mark from the predecessor to the Applicant is invalid
- Pursuant to sections 38(2)(b) and 12(1)(d) of the Act, the Mark is not registrable because it is confusing with the Opponent's Marks.
 - Pursuant to sections 38(2)(c) and 16(1)(a) of the Act, the Applicant is not the person entitled to registration in that at the claimed date of first use (July 1999) the Mark was confusing with the Opponent's Marks which it had previously used in Canada.
 - Pursuant to sections 38(2)(c) and 16(2)(a) of the Act, the Applicant is not the person entitled to registration in that at the date of filing the application for the Mark, the Mark was confusing with the Opponent's Marks which it had previously used in Canada.
 - Pursuant to sections 38(2)(c) and 16(2) of the Act, the Applicant is not the person entitled to registration because the Applicant had not commenced use of the Mark in the US at the time it filed its Canadian application.

- Pursuant to sections 38(2)(c) and 16(3)(a) of the Act, the Applicant is not the person entitled to registration of the Mark as at the date of filing the application, the Mark was confusing with the Opponent's Marks which it had previously used in Canada.
- Pursuant to sections 38(2)(d) and 2 of the Act, the Mark is not distinctive since
 - i. it is not adapted to distinguish nor is it adapted to distinguish the Wares from those of the Opponent and the trade-marks of the Opponent;
 - ii. The Mark is used outside the scope of section 50 as a result of the Applicant having given a security interest in its trade-mark to a third party, namely ARES Capital Corporation;
 - iii. the Wares and the use thereof suggest that they have been authorized, licensed or approved for the Applicant's use by the Opponent or that they are used in the business of the Opponent, the more so given that the Opponent has authorized, licensed or approved others to use a confusingly similar mark;
 - iv. the Mark is not distinctive as a result of the purported assignment of the Mark from the Applicant's predecessor to the Applicant being invalid.

[5] The Applicant served and filed a counter statement in which it denied the Opponent's allegations and put the Opponent to the strict proof thereof.

[6] In support of its opposition, the Opponent filed an affidavit of Chris Ransome, the President of the Opponent.

[7] In support of its application, the Applicant filed affidavits of Larry Capalbo, the former president of the Applicant's predecessor Flame Gard, Inc.; Zhengxiao Yang, a student at law employed by the Applicant's agent; and Harry Franze, the President and CEO of the Applicant.

[8] None of the affiants was cross-examined on his/her affidavit.

[9] Both parties filed written arguments and were represented at an oral hearing.

Onus and Material Dates

[10] 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 to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[11] The material dates that apply to the grounds of opposition are as follows:

- sections 38(2)(a)/30 - the date of filing the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 at 475 (TMOB) and *Tower Conference Management Co v Canadian Exhibition Management Inc* (1990), 28 CPR (3d) 428 at 432 (TMOB)];
- section 38(2)(b)/12(1)(d) - the date of my decision [see *Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)]
- sections 38(2)(c)/16(1) – the claimed date of first use [see section 16(1) of the Act];
- sections 38(2)(c)/16(2) and 16(3) - the date of filing the application [see sections 16(2) and (3) of the Act].
- sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Preliminary Issue – Admissibility of Applicant’s Evidence

[12] The Opponent submits that the Capalbo and Yang affidavits, filed by the Applicant, are inadmissible on account of being hearsay.

[13] With respect to the Capalbo affidavit, the Opponent submits that the evidence is inadmissible hearsay in light Mr. Capalbo’s admission that some of his evidence comes not only from his recollection of events, but also from discussions he had with his brother, Thomas Capalbo who also worked for Flame Gard, Inc., the Applicant’s predecessor in title. Specifically, the Opponent submits that Mr. Capalbo’s evidence is commingled with the thoughts of his brother such that it is impossible to separate what are the sole thoughts of the affiant from those of his brother.

[14] At the oral hearing, the Applicant submitted that to have filed affidavits from both brothers would have been evidentiary overkill as they both would have provided the same evidence. Furthermore, given the time that had passed since the events, and the fact that some of

the business records were no longer available, it was not inappropriate for Mr. Capalbo to discuss the issues with his brother who had also been a director of Flame Gard, Inc.

[15] Under the circumstances of this case and in the absence of cross-examination, I am prepared to place weight on Mr. Capalbo's evidence.

[16] With respect to the Yang affidavit, the Opponent submits that since the archived website printouts attached to Mr. Yang's affidavit relate to the website of Flame Gard, Inc. this evidence would have better been submitted by Mr. Capalbo. The evidence, however, does not emanate directly from the Applicant's predecessor's website, but rather from Wayback Machine, a third party Internet archival service. As a result, the printouts would have been hearsay whether submitted by Mr. Yang or by Mr. Capalbo.

[17] The Internet archive system Wayback Machine has been accepted as a reliable source for evidencing the state of websites in the past [see *Candrug Health Solutions Inc v Thorkelson* (2007), 60 CPR (4th) 35 (FC); rev'd on other grounds 2008 FCA 100]. While I am unable to rely on the website printouts as evidence of the truth of the content thereon, I am prepared to rely on them as evidence of the state of the websites at the identified dates.

Non-registrability Grounds – Section 12(1)(d) of the Act

[18] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if the registration(s) relied upon is in good standing as of the date of the opposition decision. The Registrar has discretion to check the register in order to confirm the existence of the registration(s) relied upon by an opponent [see *Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. I have exercised that discretion and note that the registrations for the Opponent's FLAME GARD marks remain extant. Thus the Opponent has met its evidential burden. I must now assess whether the Applicant has met its legal onus.

[19] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the inference that the wares or

services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

[20] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trade-marks 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-marks 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), 49 CPR (4th) 321 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 96 CPR (4th) 361 (SCC).]

[21] I consider the Opponent's case to be strongest with respect to the trade-mark FLAME-GARD (TMA233,364) registered for "flame retardant garments". I will therefore address the section 12(1)(d) ground by focusing on the likelihood of confusion between this mark and the Mark. Thus, the success or failure of this ground will turn on the issue of confusion with this registration.

Section 6(5)(a) – inherent distinctiveness and the extent to which the marks have become known

[22] Both parties' marks include the elements FLAME (a dictionary word which relates to fire) and GARD (phonetically identical to the word "guard" which relates to protection). These words are clearly suggestive of the fire-protective nature of the associated wares. The Mark features design elements in the form of a flame design and stylized script. The flame design does not serve to increase the inherent distinctiveness of the Mark in any significant way since it serves to further support the suggestiveness of the Mark by highlighting the fire aspect.

[23] Based on the foregoing, I find the inherent distinctiveness of the parties' marks as being essentially the same, and relatively low.

[24] The strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use. I will now turn to the extent to which the trade-marks have become known in Canada.

[25] The Applicant provides evidence of use and reputation for the Mark since 1999 first by its predecessor in title Flame Gard, Inc. (from 1999 – 2008) and subsequently by the Applicant (from 2008 onwards).

[26] The application for the Mark claims use in Canada only for Wares (1) (i.e. “baffle grease filters, spark arrestor filters, duct access doors, bulkhead fittings”). The application claims use since “at least as early as July 1999” in association with Wares (1). The remaining wares (i.e. Wares (2), (3) and (4)) are based on either proposed use or use and registration in the US and no evidence of use or reputation has been provided therefore. Thus I can only conclude that the Mark has not become known with respect to Wares (2), (3), (4).

[27] Since business records back to 1999 were not available, Mr. Capalbo, the former president of Flame Gard, Inc. provides his personal recollections regarding the early use of the Mark. Specifically, Mr. Capalbo makes the sworn statement that Flame Gard, Inc. sold “grease filters, spark arrestor filters, duct access doors, bulkhead fittings, and filter installation hooks” and a “grease absorbing compound”. Furthermore, Mr. Capalbo states that the Mark appeared on boxes and invoices that were used for shipping Wares (1) to Canadian customers. Furthermore, he recalls personally selling Wares (1) to customers in Canada.

[28] Mr. Capalbo provides collateral evidence to support his sworn statements of use of the Mark since 1999, namely:

- a. product sheets and price lists provided by Flame Gard, Inc. to potential Canadian customers prior to 1999 (Exhibits A and D);
- b. list of Canadian distributors for Wares (1) which was created sometime between 1989 and 1998 (Exhibit E); and
- c. list of Flame Gard, Inc.’s Canadian customers amounting to 29 companies, most of whom were distributors of Wares (1) (Exhibit F).

[29] While there are a number of documents displaying the Mark on promotional materials, Mr. Capalbo does not provide any materials which display the Mark on Wares (1) or their packaging or on invoices.

[30] Mr. Capalbo also provides not insubstantial sales figures for June 2006 – June 2008 (Exhibit G) and makes the sworn statement that to the best of his recollection sales figures for the years 1990 – 2000 would have been similar to the sales figures provided in Exhibit G.

[31] Mr. Franze provides evidence of use of the Mark by the Applicant after its acquisition of Flame Gard, Inc. in 2008. Specifically, he explains that the Mark appears on etchings and labels applied to the wares and their packaging as well as in advertisements Mr. Franze provides various documents which he states are representative of the manner in which the Applicant has used the Mark since it acquired Flame Gard, Inc. in 2008, namely:

- a. label proofs and photographs showing labels and etchings which he states are applied to grease door access panels and grease filters (Exhibit H);
- b. cardboard boxes which he states were used to ship these wares to Canadian customers (Exhibit I); and
- c. installation manuals which he states accompanied shipments containing grease door access panels (Exhibit J).

[32] Mr. Franze provides other documents which support his sworn statements regarding use of the Mark in Canada, namely:

- a. product catalogues for Wares (1) from 2009 – 2011 (Exhibit D);
- b. price lists for Wares (1) from 2008 – 2012 (Exhibit E);
- c. product information sheets that he states are distributed to current and potential customers of the Applicant (Exhibit F);
- d. “spec sheets” for various of Wares (1) as well as order forms for custom-curved or flat access door panels for kitchen exhaust systems (Exhibit G).

[33] Mr. Franze states that the Applicant has advertised and promoted its wares on its website and provides representative printouts of the website – both archived versions from Wayback Machine from 2008 – 2011 (Exhibit L) as well as a version current to his affidavit which he states is representative of the appearance of the website back to 2011 (Exhibit K).

[34] Mr. Franze states that the Applicant also promotes its wares through trade shows, including one in Toronto in 2011.

[35] Mr. Franze states that the Applicant has been selling Wares (1) in Canada through its exclusive Canadian distributor, Specialty Food Service Hardwares Inc. since 2008. He provides not insubstantial sales figures for sales of Wares (1) in Canada which amount to a total of over \$1 million in sales from September 2008 to March 2013.

[36] While I do not have documentary evidence showing the Mark on Wares (1) or their packaging back to 1999, I have Mr. Capalbo's sworn statement that it appeared thereon at that time and Mr. Franze's evidence demonstrating the manner in which it was so displayed from 2008 onwards. Based on a fair reading of both affidavits, I am prepared to infer that the Mark has always appeared on Wares (1) and their packaging in a similar manner to that evidenced in the Franze affidavit. Based on the evidence of record, I find that the Applicant and its predecessor have used the Mark since approximately 1999 with not insubstantial sales of Wares (1) (i.e. "baffle grease filters, spark arrestor filters, duct access doors, bulkhead fittings") since at least 2006. Thus, the Applicant has established a fairly significant reputation for the Mark in association with Wares (1), only.

[37] The Opponent's evidence establishes sales of its FLAME-GARD products since approximately 1996. Mr. Ransome provides sample labels showing the FLAME-GARD mark displayed on the Opponent's flame retardant garments (Exhibit 13). Mr. Ransome also provides sales figures for the period 1996 – 2012. The evidence establishes that sales have increased annually from \$383,000 in 1996 to \$1,800,000 in 2012 with total unit sales of 12,000 in 1996 to 37,500 in 2012. Mr. Ransom also provides advertising expenditures for the Opponent's wares for the years 2002 – 2012 which are not insubstantial. He further explains that the Opponent advertises its wares on its website, in product catalogues, in brochures as well as by participating in trade shows in Canada (Exhibits 37-41). Thus, the Opponent has succeeded in establishing a fairly significant reputation for the trade-mark FLAME-GARD in association with "flame retardant garments").

Section 6(5)(b) – the length of time each has been in use

[38] As discussed in greater detail above in the analysis of the section 6(5)(a) factor, the Applicant has established use of the Mark since approximately 1999 in association with Wares

(1) only and the Opponent has established use of the FLAME-GARD trade-mark in association with “flame retardant garments” since approximately 1996.

Section 6(5)(c) and (d) – the nature of wares, services or business and trade

[39] The Opponent submits that the parties’ wares share some degree of similarity by virtue of the fact that both parties’ wares have fire-protective characteristics. Based on the evidence of record, I find that the parties’ wares differ in their specific nature (i.e. clothing vs. industrial kitchen equipment); however, they share some degree of similarity in that they are both used to aid in protection from fire.

[40] The evidence demonstrates that the Applicant targets its wares to the restaurant and food service industry (see, for example, Capalbo para 9 and Franze para 4) whereas the Opponent targets its wares to safety engineers; the marine, fishing and boating industries; the petroleum industry, etc. (see, for example, paragraphs 9, 15 and Exhibits 33, 43-54 of the Ransome affidavit).

[41] The Opponent submits that it is conceivable that a commercial kitchen operator could purchase the Opponent’s flame retardant garments for kitchen employees to wear. While this may be true, the evidence demonstrates that the Opponent targets its garments for outdoor use, not for use in commercial kitchens (e.g. Exhibit 13 features the garments which appear to be and are referred to as “waterproof outerwear”, Exhibit 33 features advertisements displaying the garments and explaining their intended uses (“These suits, job-fit for applications ranging from electrical utility to petro chemical, are rugged and watertight”), Exhibit 37 features the Opponent’s website which explains the Opponent’s business model (“Extreme condition protective apparel”).

[42] However, as was recently stated by the Federal Court when dealing with a registered trade-mark, one must consider the entire scope of rights granted under the registration, and its potential use must be considered as well as its actual use [see: *Hayabusa Fightwear Inc. v. Suzuki Motor Corporation* 2014 FC 784 citing *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27 at para 59, [2011] 2 SCR 387]. The Opponent referred to statements made by Mr. Ransome that the Opponent had future plans to attend trade shows at which the Applicant had

previously attended. While these submissions are not determinative, I note that the Opponent's registration does not include any restriction as to the channels of trade through which the Opponent's "flame retardant garments" will travel.

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

[43] The Applicant conceded that the parties' marks share the same word elements, namely FLAME and GARD, thus creating significant similarity in appearance, sound and ideas suggested. The additional design element creates some differences between the parties' marks in terms of appearance but has no effect on the similarities in sound or ideas suggested (in fact, the parties marks are identical in sound and in ideas suggested).

Conclusion

[44] Having considered the issue of confusion as a matter of first impression based on all the surrounding circumstances, I find that the balance of probabilities is evenly balanced between a finding of confusion between the parties' marks and a finding of no confusion. As the onus is on the Applicant to establish on a balance of probabilities that the Mark is not confusing with the Opponent's FLAME-GARD mark, I must decide against the Applicant and allow the ground of opposition based on section 12(1)(d).

Non-entitlement Grounds – Sections 16(1)(a), 16(2)(a) and 16(3)(a) of the Act

[45] The Opponent is under an initial burden of establishing use of one or more of the pleaded FLAME GARD marks prior to the claimed date of first use (July 1999) for the 16(1)(a) ground of opposition and the filing date for the application for the Mark (August 30, 2010) for the 16(2)(a) and 16(3)(a) grounds of opposition. Finally, the Opponent must establish non-abandonment of its pleaded marks at the date of advertisement (May 9, 2012).

[46] As set out in greater detail above in the analysis of the section 12(1)(d) ground of opposition, the Opponent has evidenced use of its FLAME-GARD mark as of the relevant dates such that it has met its evidential burden for these grounds of opposition.

[47] The difference in the material dates is not significant enough to materially effect the conclusions made under the section 12(1)(d) ground above. Based on the foregoing, the grounds of opposition based on sections 16(1)(a), 16(2)(a) and 16(3)(a) are also successful.

Non-distinctiveness Ground – section 38(2)(d) of the Act

[48] While there is a legal onus 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 CPR (3d) 272 (TMOB)], there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of non-distinctiveness.

[49] The non-distinctiveness ground is pled as a four-pronged ground of opposition, namely that:

- a. the Mark is not distinctive nor is it adapted to distinguish the Wares from those of the Opponent and the trade-marks of the Opponent;
- b. the Mark is used outside the scope of section 50 as a result of the Applicant having given a security interest in the Mark to a third party, ARES Capital Corporation;
- c. the use of the Wares suggests that they have been authorized, licensed or approved by the Opponent;
- d. the Mark is not distinctive as a result of the fact that the assignment from Flame Gard, Inc. to the Applicant was invalid.

[50] With respect to the first and third prongs of the ground of opposition, the Opponent is under an obligation to show that, as of the filing of the statement of opposition, one or more of its pleaded FLAME GARD marks had become known sufficiently to negate the distinctiveness of the Mark [see *Bojangles' International, LLC v Bojangles Café Ltd* (2004), 40 CPR (4th) 553, affirmed (2006), 48 CPR (4th) 427 (FC)].

[51] As set out in greater detail above in the analysis of the section 12(1)(d) ground of opposition, I am satisfied that the Opponent has established use of the FLAME-GARD mark as of the relevant date.

[52] These non-distinctiveness grounds of opposition, being based on confusion between the parties' marks are similar to the non-registrability and non-entitlement grounds of opposition. I do not find that the difference in material dates has any significant effect on the assessment of the factors for the analysis of confusion under the section 12(1)(d) ground of opposition. As a result, the first and third prongs of the non-distinctiveness ground of opposition are successful.

[53] With respect to the second and fourth prongs of opposition, the Opponent must establish facts supporting its allegation that the Mark is being used outside the scope of section 50 of the Act. The Opponent provides no admissible evidence in support of these pleadings as the security agreement and assignment document are hearsay when adduced by Mr. Ransome, an individual with no connection to the Applicant's business. Furthermore, even if the agreements were admissible, I note that they are not contradicted by Mr. Franze's evidence, including sworn statements regarding the grant of the security interest to ARES Capital Corporation and the assignment from Flame Gard, Inc. to the Applicant, including supporting documents (Exhibits A1-A5 to the Franze affidavit). As a result, the Opponent has failed to meet its evidential burden with respect to these remaining prongs of the non-distinctiveness ground of opposition.

Section 30 Grounds of Opposition

Non-compliance with section 30(a) of the Act

[54] The Opponent has provided no evidence or persuasive submissions in support of its ground of opposition based on sections 38(2)(a) and 30(a) of the Act and thus it has failed to meet its evidential burden and this ground of opposition is dismissed accordingly.

Non-compliance with section 30(b) of the Act

[55] The evidential burden on the Opponent respecting the issue of the Applicant's non-compliance with section 30(b) is a light one [see *Molson Canada v Anheuser-Busch Inc* (2003), 29 CPR (4th) 315 (FCTD)].

[56] The Opponent has not filed any evidence in support of its section 30(b) ground of opposition. The Opponent may rely on the Applicant's evidence to meet its initial burden in relation to this ground [see *Molson Canada v Anheuser-Busch Inc*, (2003), 29 CPR (4th) 315

(FCTD), and *York Barbell Holdings Ltd v ICON Health and Fitness, Inc* (2001), 13 CPR (4th) 156 (TMOB)]. However, the Opponent is under an obligation to show that the Applicant's evidence is "clearly inconsistent" with the Applicant's claims as set forth in its application [see *Ivy Lea Shirt Co v 1227624 Ontario Ltd* (1999), 2 CPR (4th) 562 at 565-6 (TMOB), aff'd 11 CPR (4th) 489 (FCTD)].

[57] In its statement of opposition the Opponent pleads that the application does not comply with section 30(b) of the Act on the basis that either (a) the Mark was not used continuously since the claimed date of first use or (b) the mark which was allegedly used was not the Mark as applied for.

[58] In support of the first prong of its section 30(b) ground of opposition, the Opponent submits that the Applicant failed to evidence continuous use of the Mark in association with the Wares since the claimed date of first use. However, the Applicant is only under a burden of establishing continuous use of the Mark since the claimed date where the Opponent meets its evidential burden. While I agree that the Applicant's evidence is not without defects, the Opponent has not established that the evidence is "clearly inconsistent" with the claimed first use date.

[59] Secondly, the Opponent submits that the mark which appears in the materials attached to the Capalbo affidavit differs from the applied-for Mark. The only difference between the Mark as applied for, and the Mark as displayed in the materials attached to the Capalbo affidavit is that the words FLAME and GARD are italicized in the documents attached to the Capalbo affidavit.

[60] A trade-mark will be found to be used within the meaning of the Act if it is used in such a way that it does not lose its identity and remains recognizable in spite of the differences between the form in which it was applied for and the form in which it is used. As set out in *Registrar of Trade Marks v Compagnie Internationale Pour L'Informatique CII Honeywell Bull, Societe Anonyme et al* (1985), 4 CPR (3d) 523 (FCA) at 525:

The practical test to be applied in order to resolve a case of this nature is to compare the trade mark as it is registered with the trade mark as it is used and determine whether the differences between these two marks are so unimportant that an unaware purchaser would

be likely to infer that both, in spite of their differences, identify goods having the same origin.

[61] The differences between the Mark as it appears in the materials attached to Mr. Capalbo's affidavit and the Mark as applied for are insignificant. Thus, I am satisfied that the mark which appears in the materials attached to Mr. Capalbo's affidavit qualifies as use of the Mark as applied for.

[62] I am not satisfied that the Opponent has established that the Applicant's evidence is clearly inconsistent with the claimed date of first use. As a result, the Opponent has failed to meet its evidential burden and this ground of opposition is dismissed accordingly.

Non-compliance with section 30(d) of the Act

[63] As pointed out in the opposition decision *Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 at 89 (TMOB) "it is difficult for an opponent to prove an allegation of non-use by an applicant, the relevant facts being readily available to the applicant". While these comments related to a ground of opposition based on section 30(b) of the Act, they are equally applicable to a ground of opposition based on section 30(d) [see *105272 Canada Inc v Grands Moulins de Paris, Société Anonyme* (1990), 31 CPR (3d) 79 (TMOB)]. To the extent that the Applicant has easier access to the facts, the burden of proof on the Opponent in regard to the ground of opposition based on the failure to respect section 30(d) is less onerous [see *Tune Masters, supra*].

[64] There is no evidence to support the Opponent's allegations that the Applicant never used the Mark in the US in association with the wares for which such use is claimed; that the Applicant is not the owner of the claimed foreign registration; that the assignment to the Applicant from its predecessor is invalid. This ground is accordingly dismissed on account of the Opponent's failure to meet its evidential burden.

Non-compliance with section 30(i) of the Act

[65] Where an applicant has provided the statement required by section 30(i), a section 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 CPR (2d) 152 (TMOB) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the section 30(i) ground is accordingly dismissed.

Disposition

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

Andrea Flewelling
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office