



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

Citation: 2014 TMOB 262
Date of Decision: 2014-11-27

**IN THE MATTER OF AN OPPOSITION
by Sky Solar Holdings Co., Ltd. to
application No. 1,445,286 for the trade-
mark SKYPOWER in the name of
SkyPower Global (Cayman) (formerly
SkyPower Limited)**

Introduction

[1] On July 20, 2009, SkyPower Corp. (SkyPower Limited's predecessor-in-title) filed application No. 1,445,286 for the registration of SKYPOWER (the Mark) based on use of the Mark since November 23, 2003, in association with the following services, as revised:

Development, construction, and management of generation facilities and transmission facilities for production of electricity from renewable energy sources, namely wind, solar and water energy sources; development, production, supply, operation and transmission of electricity generated from renewable energy sources, namely wind, solar and water energy sources; consulting services for development, construction, and management of generation facilities and transmission facilities for production of electricity from renewable energy sources, namely wind and solar energy sources; consulting services for production, supply, and transmission of electricity generated from renewable energy sources, namely wind, solar and water energy sources; development, construction and management of transmission facilities for the transmission of non-renewable electricity.

The application was also based on proposed use of the Mark in association with:

Design, build and operate pump storage facilities for the purpose of generating hydro electricity; design, build and operate hydro power facilities for the purpose of generating electricity; design, build and operate facilities for the purpose of water purification; and

demand management utilizing various forms of technology and processes for the purpose of managing electricity for use and conservation.

[2] The revised application was filed by SkyPower Limited. On October 12, 2012, the Canadian Intellectual Property Office recorded an assignment of this application in favour of Skypower Global (Cayman). For ease of reference, I will refer to SkyPower Corp., Skypower Limited and Skypower Global (Cayman) collectively as the Applicant in some instances.

[3] The application was advertised on June 30, 2010, and Sky Solar Holdings Co. Ltd. (the Opponent) filed a statement of opposition on August 30, 2010, based on the following grounds of opposition set out under section 38 of the *Trade-marks Act*, RSC 1985, c T-13 (the Act): non-compliance with sections 30(i) and (b), non-registrability under sections 12(1)(b) and 12(1)(d), non-entitlement under sections 16(1) and 16(3) of the Act, and non-distinctiveness under section 38(2)(d) and section 2. In support of many of its grounds the Opponent relies on various third trade-mark registrations (see Schedule A) and third party trade-marks and trade-names (see Schedule B).

[4] In support of its opposition, the Opponent filed the affidavits of Rebecca Rodal and Peter Liu. Both Ms. Rodal and Mr. Liu were cross-examined and their cross-examination transcripts form part of the record.

[5] As its evidence, the Applicant filed the affidavits of Brian Moncik and Jeremy Weisz. Both Mr. Moncik and Mr. Weisz were cross-examined and the cross-examination transcripts, and answers to undertakings (for Mr. Moncik) are part of the record.

[6] The Opponent filed the affidavit of Abigail Smith as its evidence in reply. Ms. Smith was not cross-examined on her affidavit.

[7] On February 22, 2013, the Opponent was granted leave to file an amended statement of opposition to add the registration of the Opponent for the trade-mark SKY SOLAR and Design (registration No. TMA837,401) which only issued to registration on November 30, 2012. On April 18, 2013, the Opponent was granted leave under section 44(1) of the *Trade-mark Regulations* SOR/96-195 (the Regulations) to file a certified copy of that trade-mark registration.

[8] Both parties filed a written argument and both were represented at an oral hearing.

[9] At the oral hearing, the Opponent withdrew the grounds of opposition based on sections 16(1), 16(3) and 30(i) of the Act.

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. 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 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, SA* (2002), 20 CPR (4th) 155 (FCA)].

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

- Section 38(2)(a)/Section 30 - the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- Section 38(2)(b)/Sections 12(1)(b) – the filing date of the application [*Havana Club Holdings SA v Bacardi & Co* (2004), 35 CPR (4th) 541 (TMOB); *Fiesta Barbeques Ltd v General Housewares Corp* (2003), 28 CPR (4th) 60 (FCTD)];
- Section 38(2)(b)/Section 12(1)(d) - the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd. and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- Section 38(2)(d)/non-distinctiveness - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 (FC)].

Background

[12] To better understand the facts of this case, it is useful to reproduce the following timeline as set out by Mr. Moncik, Vice President Finance of the Applicant, in his affidavit as follows:

- SkyPower Corp. was federally incorporated on July 30, 2003 (para. 4, Exh. B);

- In August of 2009, SkyPower Corp. filed for protection under the Companies' Creditors Arrangement Act (para. 6) and an Approval and Vesting Order was made under the Companies' Creditors Arrangement Act dated October 27, 2009 (para. 6);
- SkyPower Limited was incorporated in Alberta on October 13, 2009 (para. 3, Exh. A); and
- On November 30, 2009, pursuant to a Purchase Agreement dated October 14, 2009, SkyPower Limited (at that time 1495359 Alberta ULC) purchased all of the assets of SkyPower Corp.'s solar business, together with the SKYPOWER name and related trade-names and trade-marks and this transaction was approved by the Ontario Superior Court of Justice (para. 6).

Analysis of Grounds of Opposition

Section 30(b) Ground – Non-compliance

[13] As its section 30(b) ground of opposition, the Opponent pleads that the Applicant has not used the Mark since at least as early as November 23, 2003 in association with the services in respect of which use in Canada has been claimed. For ease of reference I will refer to these services as the Applicant's wind, solar and water energy projects.

[14] The initial evidential burden on an opponent respecting the issue of the applicant's non-compliance with section 30(b) of the Act is light because the facts regarding an applicant's first use are particularly within the knowledge of the applicant [*Tune Masters v Mr P's Mastertune Ignition Services Ltd*, (1986), 10 CPR (3d) 84 (TMHO) at p 89]. This burden may be met by reference not only to the opponent's evidence but also to the applicant's [*Labatt Brewing Co v Molson Breweries, A Partnership*, (1986), 10 CPR (3d) 84 (TMOB) at 89]. However, while an opponent may rely upon the applicant's evidence to meet its evidential burden in relation to this ground, in order to do so, it must show that the applicant's evidence is "clearly" inconsistent with the applicant's claims set forth in its application [*Ivy Lea Shirt Co v Muskoka Fine Watercraft & Supply Co*, (1999), 2 CPR (4th) 562 TMOB at 565-6, aff'd 2001 FCT 252 (CanLii) (2001), 11 CPR (4th) 489 (FCTD)]. Finally, section 30(b) of the Act requires that there be continuous use

of the Mark in the normal course of trade from the date claimed to the date of filing the application [*Labatt Brewing Co v Benson & Hedges (Canada) Ltd* (1996), 67 CPR (3d) 258 (FCTD) at 262].

[15] In support of its claimed date of first use, the Applicant relies upon, among other things, the following evidence:

- Mr. Moncik's statement that since July, 2003 the Mark has appeared on a multitude of printed materials used in association with the offering and performance of the services including business cards, promotional materials, letterhead and e-mail signatures;
- business cards attached to Mr. Moncik's affidavit as Exhibit D which prominently display the Mark and are representative of the manner in which the Mark has been used by the Applicant or Sky Power Corp. since the inception of Sky Power Corp on July 30, 2003;
- since 2003 the Applicant's promotional activities have been in the form of business presentations to prospective clients and investors at which printed and other visual materials bearing the Mark have been continuously and prominently displayed;
- a document entitled Corporate Overview dated August 2004 on which the Mark is displayed and which Mr. Moncik states is representative of the manner in which the Mark has been used since July 2003 on corporate literature including in presentations to potential customers and press releases; and
- collections of representative articles appearing in the Canadian press referring to SkyPower Corp. and the services it has provided since 2003 including an article from the Globe and Mail dated November 26, 2004, which refers to SkyPower Corp. having announced the previous day that it plans to spend \$300 million building Canada's largest wind farm.

[16] The Opponent relies on the affidavit of Mr. Moncik and his cross-examination to support its section 30(b) ground of opposition. Considering first the Applicant's services related to wind

and hydro projects, the Opponent pointed to the following questions and answers that occurred during the cross-examination of Mr. Moncik:

- Q. 100: And the applicant SkyPower Limited purchased the solar business of SkyPower Corp. only, correct?
- A. Correct.
- Q. 101: And there was no assets or goodwill in respect of hydro or wind, correct?
- A. There was --- it was mainly solar assets. There was one wind project that was purchased as part of the solar asset group.
- Q. 102: Which one was that?
- A. It's called the Wolfe Island project. It's a project in I think near Kingston, Ontario.
- Q. 103: Who owned that project – or that's the wrong way to put it, but who operated that project? Was it a limited partnership?
- A. It was --- we actually owned or SkyPower owned royalty, indirectly owned a royalty interest in the revenue of the project. ...But SkyPower was one of the early developers in that project and it sold it for – it sold its development work for an ongoing royalty as well as cash payment.
- Q. 104: Okay. What development work did it do?
- A. It, it was involved in finding land, some permitting.
- Q. 105: Finding land and what?
- A. It did some permitting work. Permitting.
- Q.106: Permitting work?
- A. Yes.
- Q. 108: Other than the royalty arrangement, after the development stage, did SkyPower have any involvement?
- A. Not too much. So SkyPower owns 25 percent of the royalty interest. So again, it's royalty and a revenue of the project...SkyPower is responsible for the accounting of that partnership, the management of the royalty. It is not involved in the actual project itself.

- Q. 109: So that's a royalty stream that flows back to a 25 percent owned subsidiary of SkyPower?
- A. Yes. Indirectly owned 25 percent. There is a chain of a couple companies but indirectly we own 25 percent of that, Ontario Wind Energy Limited Partnership.
- Q. 110: Is that company licensed to use any trade-marks?
- A. Again, I wouldn't know.
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- Q. 133: So, when SkyPower Limited took over SkyPower Corp.'s solar business, did it do it as a going concern?
- A. Yes, it was an asset purchaser...
- Q. 134: And SkyPower Limited did not take over any hydro projects at that time, is that correct?
- A.: Correct.
- Q. 135: And what happened to the wind assets of SkyPower Corp. other than Wolfe Island?
- A. They were purchased by another company.
- Q. 144: Just to maybe jump to the bottom line here, I may have already asked you this but I want to be clear. SkyPower Limited has never operated any solar project --- I'm sorry, hydro project in Canada, correct?
- A. Correct.
- Q. 145: And it has never operated any wind project in Canada other than Wolfe Island, is that correct?
- A. Correct.
- Q. And its investment in Wolfe Island was the royalty arrangement we already talked about?
- A. Right.
- ...

Q. 148: When you're referring to the development of large-scale wind, solar and other renewable energy power projects from the point of view of SkyPower Limited, you're only really talking about solar, correct?

A. The business has been mainly solar. We have looked at many opportunities in different fields, but the main expansion since the acquisition in November 2009 has been solar.

Q. 149: The main, the only, you don't have any wind or solar projects, correct?

A. We have solar projects.

Q. 150: Sorry, wind or hydro projects?

A. Other than Wolfe Island, we don't have any other ongoing projects.

[17] Based on the foregoing excerpts from the cross-examination, I find that the Opponent has satisfied its burden of showing that the Applicant's evidence is clearly inconsistent with its claimed date of first use of the Mark in association with wind and hydro projects. In this regard, Mr. Moncik clearly admits that the Applicant has never operated any hydro project in Canada. Further, while Mr. Moncik states that the Applicant was an early developer of the wind project at Wolfe Island, he also states that the Applicant sold this development work for an ongoing royalty as well as a cash payment. He further states that while the Applicant is responsible for the accounting of that partnership and the management of the royalty, it is not involved in the actual project itself. I am therefore satisfied that the Opponent has met its light initial burden under section 30(b) with respect to these services.

[18] The Applicant has put forward the affidavit of Mr. Moncik to support its claimed date of first use but his cross-examination revealed uncertainties about whether the Mark had in fact been used by the Applicant in association with wind and hydro projects between the claimed date of first use and the filing date of the application. In these circumstances, the Applicant was obliged to prove its claimed date of first use with other evidence and this has not been done. The Applicant's agent conceded at the oral hearing that its evidence was clearly inconsistent with its claim to have used the Mark in association with services related to hydro projects. With respect to wind projects, while it may be that the Applicant had used the Mark in association with services related to wind projects by 2004, the Applicant did not give any submissions in writing or orally to explain how the receipt of the ongoing royalty payment for the wind project at Wolfe

Island constitutes continuous use of its Mark in association with such services pursuant to section 4(2) of the Act. Further, as noted by the Opponent, even if the Applicant had established use of the Mark in association with services related to wind power it is not clear that goodwill generated through these efforts were transferred to the Applicant. The section 30(b) ground therefore succeeds with respect to the services related to wind and hydro projects.

[19] With respect to services that relate to solar projects, the Opponent relies, among other things, on the following information obtained from Mr. Moncik's cross-examination:

- as of March 2006, when Mr. Moncik joined SkyPower Corp. there were no solar projects in development and he was not aware of any existing prior to his arrival (q. 42-45);
- the solar projects referred to in the article dated November 7, 2006 (Moncik, Exh. P) were the first solar projects of SkyPower Limited and the first of those projects only became operational in November of 2008 or 2009 (q. 46-53, q. 61); and
- limited partnerships were set up by SkyPower Limited to construct and operate its initial four projects and Mr. Moncik was not aware of any trade-mark license from SkyPower Limited to these entities (q. 63,75,110 and 128).

[20] The Applicant submits that nothing in the cross-examination of Mr. Moncik undermined the fact that Sky Power Limited and SkyPower Corp. have been advertising, offering and prepared to provide in Canada the services related to solar projects in association with the Mark pursuant to section 4(2) of the Act since the date of first use claimed. While the cross-examination focused on what types of facilities were up and running over the years, the Applicant submits that this is not the test for use in Canada and as such it does not undermine the Applicant's evidence. The Applicant further submits that it is clear from the very nature of the projects themselves that it takes several years to get these projects underway. In this regard, the Applicant asserts that use with respect to services such as the development, construction and management of projects for the transmission of electricity from renewable energy sources, starts before the shovel goes into the ground.

[21] I agree with the Applicant that nothing in the cross-examination of Mr. Moncik undermined the fact that Sky Power Limited and SkyPower Corp. have been advertising, offering and prepared to provide in Canada the services related to solar projects in association with the Mark pursuant to section 4(2) of the Act since the date of first use claimed. While Mr. Moncik states that there were no solar projects operating when he joined SkyPower Corp. in 2006, this is not inconsistent with the Applicant's claim to have been advertising, offering and prepared to provide its solar services in association with the Mark since July, 2003. Further, regarding the alleged unlicensed use of the Mark by limited partnerships, the fact that Mr. Moncik was unaware of any trade-mark license from SkyPower Limited to these entities does not mean that a license did not exist.

[22] As there is no other evidence that is clearly inconsistent with the Applicant's claim to have been using the Mark in association with such services since its claimed date of first use, I am not satisfied that the Opponent has met its burden under this ground with respect to the services regarding solar projects.

[23] This ground is therefore successful but only with respect to services (1) insofar as they relate to wind and water energy sources for which use was claimed since Nov. 23, 2003. The other services are based on proposed use and the Opponent has not pleaded a section 30(e) ground of opposition.

Section 12(1)(b) Ground –Non-registrability

[24] The Opponent pleads that the Mark is not registrable for the listed services because it is clearly descriptive in the English language of the character or quality of the services in association with which it is used or proposed to be used.

[25] The Applicant submits that this ground of opposition was insufficiently pleaded because the Opponent failed to allege sufficient facts. I agree with the Applicant that the wording of that ground lacks specificity in that it does not allege sufficient facts to support this ground. Had the Applicant requested an interlocutory ruling on this issue prior to filing its counter statement, this ground would likely have been struck for having been insufficiently pleaded pursuant to section 38(3)(a) of the Act. However, pursuant to the decision in *Novopharm Ltd v Astrazeneca* (2002),

21 CPR (4th) 289 (FCA), once evidence has been filed the pleadings are to be read in conjunction with the evidence. In view that the Opponent has provided both evidence and argument in support of this ground, I will consider it.

[26] The issue as to whether the Applicant's Mark is clearly descriptive or deceptively misdescriptive must be considered from the point of view of the average purchaser of the associated services. Further, the Mark must not be dissected into its component elements and carefully analyzed but must be considered in its entirety as a matter of immediate impression [*Wool Bureau of Canada Ltd v Registrar of Trade Marks*, 40 CPR (2d) 25 (FCTD) at 27-8; *Atlantic Promotions Inc v Registrar of Trade Marks*, 2 CPR (3d) 183 (FCTD) at 186]. Character means a feature, trait or characteristic of the services and "clearly" means "easy to understand, self-evident or plain" [*Drackett Co of Canada Ltd v American Home Products Corp* (1968), 55 CPR 29 at 34].

[27] The Opponent submits that the Mark is a combination of two common words: SKY and POWER. The online Oxford dictionary provides the following definitions for these words:

SKY: the region of the atmosphere and outer space seen from the earth

POWER: energy that is produced by mechanical, electrical, or other means and used to operate a device

[28] The Opponent also provides evidence that the words SKY and POWER, and the combination SKYPOWER, are being used by a number of other traders in association with the solar and wind power generation industry. In one reference found by Ms. Rodal, articling student employed by the Opponent's agent, the following sentence appears: "Sky power is sunlight, wind and rain: clean, limitless resources that have run the natural world throughout the ages, and which we can now and must increasingly tap to run our civilization sustainably" (Rodal, Exhibit 1-19).

[29] The Opponent submits that the immediate impression on consumers using the Applicant's services will be that the SKYPOWER mark clearly describes the character of the

services being offered by the Applicant, namely services directed toward developing, generating and managing power derived from sky sources, namely wind, rain and sun.

[30] Based on a review of both parties' submissions and the evidence as a whole, I am unable to agree with the Opponent's submissions. While it is clear from the evidence furnished that the terms "solar power" and "wind power" are commonly used in the industry and in common parlance to refer to a renewable energy form, I do not find that the word SKY in association with the word POWER clearly describes the character or quality of the Applicant's services. The word SKY, on its own, refers to the region of the atmosphere seen from the earth. The word SKY when used in association with the word POWER and the Applicant's services is capable of more than one meaning as it is suggestive of generating energy from wind, sunlight *or* rain. In my view, to conclude that the word SKY refers to sunlight, wind and rain all together requires additional steps of reasoning. As a result, the meaning of SKYPOWER is not easy to understand, self-evident or plain.

[31] Based on the foregoing, I find that the Mark as a whole is not clearly descriptive of a character or quality of the services as a matter of immediate impression (emphasis is mine).

[32] The section 12(1)(b) ground is therefore not successful.

Section 12(1)(d) – Non-registrability

[33] The Opponent further pleads that the Mark is not registrable because it is confusing with its registered trade-mark SKY SOLAR and Design, registration No. TMA837,401, shown below, and/or at least one of the Canadian trade-mark registrations listed in Schedule A.



[34] I have exercised my discretion and checked the register to confirm that all of these registrations are extant, with the exception of registration No. TMA480,950 for SKYPOWER and Design which has been expunged [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11

CPR (3d) 410 (TMOB)]. Therefore, the Opponent has met its initial burden with respect to this ground with respect to all of the marks listed in Schedule A except for SKYPOWER and Design.

[35] As the Opponent's evidentiary burden has been satisfied with respect to all of the marks listed in Schedule A except for SKYPOWER and design, the Applicant must therefore establish on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and one of these trade-marks.

[36] I will assess the section 12(1)(d) ground of opposition based on confusion between the Mark and the Opponent's registered mark SKY SOLAR and Design, as I am of the view that the Opponent's case is strongest with respect to this trade-mark. If the Opponent is not successful under this ground with respect to this mark, then it is not likely to be successful with any of the other third party marks relied upon it under this ground.

[37] This Opponent's SKY SOLAR and Design registration is registered for use in association with the following services:

Consultation services in the field of solar photovoltaic project development, system integration, product sales and market development namely development and sales of photovoltaic products and projects, renewable power generation, electrical power generation and supply, energy conservation, environmental protection and conservation, and industrial quality control; consultation services in respect of engineering, design, industrial design, construction and operations management of solar voltaic projects and facilities; consultation services in respect of finance and investment.

test for confusion

[38] 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. 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.

[39] This list of enumerated factors is not exhaustive and it is not necessary to give each one of them equal weight [*Mattel, Inc v 3894207 Canada Inc.* (2006), 49 CPR (4th) 321 (SCC); *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC)]. In *Masterpiece Inc v Alavida Lifestyles Inc et al* (2011), 92 CPR (4th) 361 (SCC) , the Supreme Court of Canada clearly indicated that the most important factor amongst those listed under section 6(5) of the Act is often the degree of resemblance between the marks.

section 6(5)(a) and (b) - inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known; and the length of time each trade-mark has been in use

[40] I do not consider either mark to be inherently strong as both are suggestive of their respective services.

[41] The strength of a trade-mark may be increased, however, by means of it becoming known through promotion or use. This is referred to as the acquired distinctiveness of a trade-mark. With respect to the Opponent`s mark, Mr. Liu identifies himself as managing director of Sky Solar (Canada) Ltd. He states that Sky Solar (Canada) Ltd. has been using the SKY SOLAR and design trade-mark in Canada since 2009. The Opponent is the parent of numerous subsidiaries internationally that are involved in solar energy project development, including Sky Solar (Canada) Inc. While revenues by the Sky Solar group of companies have exceeded \$100 million U.S. since its inception, Canadian specific sales figures were not provided. Further, the Opponent has not shown that Sky Solar (Canada) Inc. is licensed to use its mark or that it controls the character or quality of the services provided by Sky Solar (Canada) Inc. in association with the SKY SOLAR and design trade- mark.

[42] Attached as Exhibit 3 to Mr. Liu`s affidavit are sample business materials including a blank invoice, a business card and a copy of business letterhead all of which display the SKY SOLAR trade-mark. Attached as Exhibit 4 are sample brochures and newsletters that have been distributed in Canada by Sky Solar (Canada) Inc. At the date of his affidavit (March 4, 2011), Sky Solar Canada was involved in 135 rooftop projects and 2 solar farm projects in Canada.

[43] With respect to the acquired distinctiveness of the Mark, as noted above, I am not satisfied that the Applicant has shown continuous use of the Mark in association with each of the applied for services since 2003. However, I am satisfied that the evidence shows that the Mark has at least become known in Canada in association with solar energy projects and wind energy projects to some extent. In this regard, in addition to the Wolfe Island wind project discussed above, the Applicant has been awarded 15 Power Purchase Contracts and 9 Power Purchase contracts on or before 2009 representing approximately 10.8MW under construction. Further, between 2009 and 2011, revenue for the services provided in association with the trade-mark has ranged between 2.5 and 7.8 million dollars. The Applicant has also sponsored and advertised prominently at industry specific conferences (Moncik, Exhibits L-N), and has been referred to in a number of daily newspapers and magazines all of which circulate in Canada (Moncik, Exhibits P-S).

[44] That being said, it is not clear whether the use which has been shown in association with wind or solar projects since the filing date of the application inures to the benefit of the Applicant. As mentioned previously, Mr. Moncik states on cross-examination that he was not aware of any licenses between the Applicant and the limited partnerships or joint ventures that were set up by the Applicant to develop and operate such projects. In view of this I cannot conclude that any use and reputation in the Mark would inure to the benefit of the Applicant in accordance with section 50 of the Act.

[45] Considering the above, I am of the opinion that the overall assessment of the inherent distinctiveness of the trade-marks at issue and the extent to which they have become known does not weigh in either party's favour.

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

[46] It is the Applicant's statement of services as defined in its application versus the Opponent's registered services that govern my determination of this factor [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd.* (1987), 19 CPR (3d) 3 (FCA); *Miss Universe Inc v Bohna* (1994), 58 CPR (3d) 381 (FCA)].

[47] Neither party gave submissions regarding the nature of the services or the nature of the trade. In my view, the Applicant's services are similar to, if not overlapping with, the services of the Opponent. I therefore find that, in the absence of evidence to the contrary, the parties' channels of trade would also overlap.

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

[48] The marks in issue resemble each other to some degree in appearance, sounding and ideas suggested owing to the word SKY which is the first word of both of the marks. However, it is the marks in their entirety that must be considered. While the first portion of a mark is often the most important for the purpose of distinguishing between marks, when the first or dominant portion of a mark is a common descriptive word, its importance diminishes [*Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d) 183 at 188 (FCTD); *Vancouver Sushiman Ltd v Sushiboy Foods Co* (2002), 22 CPR (4th) 107 (TMOB)].

[49] In the present case, the word SKY is suggestive of both parties' services. There would therefore be a tendency to discount the importance of the word SKY in the parties' marks and focus more on their other components. As noted in *United Artists Corp v Pink Panther Beauty Corp* (1998), 80 CPR (3d) 247 at 263 (FCA):

While the marks [in issue] must be assessed in their entirety (and not dissected for minute examination), it is still possible to focus on particular features of the mark that may have a determinative influence on the public's perception of it.

The second portions of the parties' marks in this case bear no resemblance to one another.

[50] In considering this issue, I have also had regard to the following principles of trade-marks law enunciated in *General Motors Corp v Bellows* (1949), 10 CPR 101 at 115 and 116 (SCC):

... where a party has reached inside the common trade vocabulary for a word mark and seeks to prevent competitors from doing the same thing, the range of protection to be given him should be more limited than in the case of an invented or unique or non-descriptive word

... where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolize the words. The Court will accept comparatively small differences as sufficient to avert confusion . A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.

No doubt there is a public interest against confusion of these marks, but on the other hand there is a like interest in the freedom of the individual trader in ordinary trade practices and in particular in using the main stock of the language.

[51] In my view the principles enunciated above are applicable to the present case.

Further surrounding circumstances

Applicant's Admission against Interest

[52] As a further surrounding circumstance I have considered a copy of letter sent from the Applicant's former agent to Sky Solar (Hong Kong) International Co. Ltd. and the Opponent's reply to this letter (see Rodal, Exhibits K and L). The Applicant's letter to the Opponent threatened legal action against Sky Solar (Hong Kong) International Co. Ltd.'s use of the trademark SKY SOLAR in Canada. The basis for this threat was that use of the mark SKY SOLAR in association with solar panels is confusingly similar with the Applicant's trade-marks SKYPOWERED (registration No. 692,839) and the applied for Mark SKYPOWER. The Opponent submits that this position taken by the Applicant's former agent serves as an admission against interest in this proceeding.

[53] The Applicant's agent submits that no weight should be given to these letters. In addition to predating this opposition and not referring to the present opposition proceeding at all, the Applicant's agent notes that the Applicant's letter was marked WITHOUT PREJUDICE. The Applicant's agent therefore submits that these communications and contents were not intended to be used in opposition or court proceedings.

[54] It is true that any evidence regarding settlement negotiations is inadmissible [*Mothercare Ltd v "Precious Secret" Maternity Inc* (1976), 27 CPR (2d) 171(TMOB) at p. 174-75]. In the present case, the Applicant's letters cannot be considered evidence of settlement negotiations as they threatened legal action against the Opponent. I therefore agree with the Opponent that this

position taken by the Applicant serves as an admission against interest in the present proceeding [*Daniadown Quilts Ltd v Scandia Down Corp* (1989), 28 CPR (3d) 179 (TMOB)]. I do acknowledge, however, that the Applicant's position on the likelihood of confusion between the parties' marks is simply an opinion on the issue. The determination of whether or not there is a reasonable likelihood of decision between the parties' marks in this case is a legal issue that I must decide upon consideration of all of the relevant factors.

Absence of any instances of confusion

[55] Another surrounding circumstance is the lack of any evidence of confusion despite the co-existence of the parties' marks since 2009. 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 but the absence of confusion despite the overlap of the wares and channels of trade may result in a negative inference being drawn about the Opponent's case [*Christian Dior SA v Dion Neckwear Ltd* (2002), 20 CPR (4th) 155, 20 CPR (4th) 155, (Fed CA), at 164; *Monsport Inc v Vêtements de Sport Bonnie (1978) Ltée* (1988), 22 CPR (3d) 356 (FCTD); *Mercedes-Benz AG v Autostock Inc* (1996), 69 CPR (3d) 518, TMOB].

[56] The present case is unique in that the Opponent's own affiant testified that he has never encountered any confusion between the parties. In this regard, Mr. Liu states the following at paragraph 5 of his affidavit:

“I have been very active in the solar energy industry in Canada since joining Sky Solar Canada in 2009. I have dealt with many individuals from different companies, including companies involved in various projects that Sky Solar Canada is involved in. In that regard, Sky Solar Canada is currently involved in 135 rooftop projects and 2 solar farm projects in Canada having capacity of approximately 45MW in total. However, I have never encountered any confusion, questions or comments regarding association between Sky Solar Canada or Sky Solar and the Applicant in this case, Skypower Limited. I have also made inquiries at Sky Solar Canada of other employees and made it known that anyone with any knowledge of statements evidencing confusion, questions or comments regarding association between Sky Solar Canada or Sky Solar and the Applicant by third parties should advise me. No such statements have been identified.”

[57] I find that the evidence from the Opponent's own affiant regarding the absence of any evidence of confusion between the parties' marks, despite their co-existence since 2009 in what appears to be a specialized industry, is a relevant surrounding circumstance in the present case.

Conclusion

[58] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection. In most instances it is the degree of resemblance between the trade-marks that is the most crucial factor in determining the issue of confusion [*Masterpiece; Beverley Bedding & Upholstery Co v Regal Bedding & Upholstery Ltd* (1980), 47 CPR (2d) 145 (FCTD) at 149, affirmed 60 CPR (2d) 70]. Here, the resemblance between the marks is primarily a result of the fact that both begin with the non-distinctive word SKY.

[59] Having considered all of the surrounding circumstances, and discounting to some extent the importance of the word SKY when considering the resemblance of the parties' marks in their entirety, and taking into account in particular the Opponent's own admission that there has been no instances of confusion despite the co-existence of the parties' marks in what appears to be a specialized industry, I find that the Applicant has met the onus on it to show, on a balance of probabilities, that there is no reasonable likelihood of confusion between the marks.

[60] Accordingly, the section 12(1)(d) ground of opposition is rejected.

Section 38(2)(d) – Non-distinctiveness

[61] The last ground of opposition alleges that the Mark does not distinguish the Applicant's services. The Opponent pleads as follows:

The advertised trade-mark is not distinctive because it is not adapted to distinguish the services of the Applicant from the wares and services in association with which third parties, by themselves or through their licensees, have used and advertised the trade-marks and trade-names listed in Appendices A and B and/or 2 because it is clearly descriptive.

[62] Considering first the second part of the Opponent's ground, it has previously been held that while it may be true that a purely descriptive or a deceptively misdescriptive trade-mark is necessarily not distinctive, it is not correct to hold that merely because a mark is adjudged *not* to be either purely descriptive or deceptively misdescriptive, it is therefore distinctive [*Canadian Council of Professional Engineers v APA – The Engineered Wood Association* (2000), 7 CPR

(4th) 239 (TMOB)]. In the present case, I have found the Mark to be suggestive because it takes a mental leap to get from the word “sky” to the idea that encompasses the sun, the wind and the rain all together. I am therefore of the view that this word when used in combination with the word POWER can function to distinguish the Applicant’s services from those of others.

[63] Considering next the first part of the Opponent’s argument under this ground, the Opponent must show evidence of recognition in Canada of a mark or marks which allegedly negate the distinctiveness of the Mark [*Lockheed Martin Corp, Re* (2013), 114 CPR (4th) 293 (TMOB)].

[64] I will begin by having regard to the marks set out in the attached Schedule A. I have previously found under the section 12(1)(d) ground that there is no reasonable likelihood of confusion between the Mark and the Opponent’s mark SKY SOLAR and Design. My conclusions under that ground, for the most part, also apply to this ground of opposition. I therefore find that the use or making known of the SKY SOLAR and Design trade-mark does not affect the distinctiveness of the Mark.

[65] The only other registered mark in Schedule A that the Opponent has provided evidence of is the mark SKYSTREAM. All the Opponent has provided as evidence of use or making known of this mark, however, are printouts from the www.skystreamenergy.com website that include a list of authorized dealers of the SKYSTREAM wind generator in Canada. Hearsay issues aside, this evidence by itself is insufficient to show that this mark has become known sufficiently in Canada to negate the distinctiveness of the Applicant’s mark.

[66] The Opponent also relies on the trade-marks and trade-names set out in the attached Schedule B and on its Internet evidence of numerous third parties displaying trade-marks or trade-names that include SKY alone or in combination with the word POWER. Attached as Exhibits 1-36 to Ms. Rodal’s affidavit are website printouts, news and other media articles that she printed relating to use of the trade-marks listed in Schedule B that she located through various Internet searches. The Applicant has pointed to various deficiencies in Ms. Rodal’s evidence. The Opponent maintains that it has identified about 20 websites where different traders have used the word SKY in association with their trade-marks or trade-names (including

several that contain the term SKY POWER per se) in association with the solar and wind power generation industry, three of which appear to have a presence in Canada.

[67] The Applicant's affiant, Mr. Weisz (articling student with the Applicant's agent), made telephone calls to a number of the companies found by Ms. Rodal to determine if they were active and found that several that were not. On cross-examination, the Opponent pointed to various deficiencies in Mr. Weisz' evidence. The Opponent also put forth the evidence of Ms. Smith (summer student with the Opponent's agent) in reply to show that at least four of the trade-names identified by Ms. Rodal were active in other countries.

[68] I agree with the Applicant that Ms. Rodal's evidence suffers from numerous evidentiary limitations including hearsay. I also note that the Internet searches she conducted to locate use of the trade-marks listed in Schedule B were conducted after the material date for this ground. I therefore cannot have regard to this evidence. Even if I could, and hearsay issues aside, all I could have concluded from Ms. Rodal's evidence is that at the date of her Internet searches there were various websites for companies that display the element SKY alone or in combination with the word POWER as a trade-mark or trade-name in the renewable energy field, and that some of these companies are active in other countries. While these websites can be accessed from Canada, there is no evidence about the extent to which the information in these websites has come to the attention of the relevant Canadian purchaser. Further, only three of the websites appear to have a presence in Canada. This would have been far from sufficient to have allowed me to conclude that there has been a common adoption of the words "skypower" as a component of trade-marks in the renewable energy industry in Canada that would negate the distinctiveness of the Mark.

[69] I conclude that the Opponent has not met its evidential burden under this ground. This ground is accordingly dismissed.

Disposition

[70] In view of the above, and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application with respect to "wind and water energy sources" and I reject the opposition with respect to the remainder of the services pursuant to section 38(8) of the Act

[*Produits Ménagers Coronet Inc v Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 CPR (3d) 482 (FCTD) as authority for a split decision].

[71] The revised services will therefore read as follows:

Development, construction, and management of generation facilities and transmission facilities for production of electricity from renewable energy sources, namely solar energy sources; development, production, supply, operation and transmission of electricity generated from renewable energy sources, namely solar energy sources; consulting services for development, construction, and management of generation facilities and transmission facilities for production of electricity from renewable energy sources, namely solar energy sources; consulting services for production, supply, and transmission of electricity generated from renewable energy sources, namely solar energy sources; development, construction and management of transmission facilities for the transmission of non-renewable electricity.

Design, build and operate pump storage facilities for the purpose of generating hydro electricity; design, build and operate hydro power facilities for the purpose of generating electricity; design, build and operate facilities for the purpose of water purification; and demand management utilizing various forms of technology and processes for the purpose of managing electricity for use and conservation.

Cindy R. Folz
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

Schedule A

Registration No.	Mark
TMA346801	SKYLIGHTER
TMA480950	SKYPOWER and Design
TMA516133	SKYBRIGHT
TMA564496	SKYBRIDGE
TMA668909	SKYGO and Design
TMA696686	SKYSTREAM
TMA742975	SKYTWO

Schedule B

Trade-mark or Trade-name	Company Association
Sky Generation	Sky Generation Inc.
Sky Harvest Windpower	Sky Harvest Windpower Corp.
Sky WindPower	Sky WindPower Corporation
Sky Energy Consulting	Sky Business Consulting Inc.
Sky Hunter Exploration	Sky Hunter Exploration Ltd.
Sky Climber Wind Solutions	Sky Climber, Inc.
Skyharbour Resources Ltd.	Skyharbour Resources Ltd.
SkyBuilt Power	SkyBuilt Power, Inc.
Skyline Gold	Skyline Gold Corporation
SkyWest Energy	SkyWest Energy Corp.
Sky Petroleum	Sky Petroleum Inc.
Big Sky Drilling	Ensign Energy Services Inc.
Blue Sky Energy	Blue Sky Energy, Inc.
Blue Sky Uranium	Blue Sky Uranium Corp.
BlueSkyWind	BlueSkyWind, LLC
ClearSky Energy	ClearSky Energy Inc.
Red Sky Energy	Red Sky Energy Ltd.
Big Sky Energy	Big Sky Energy Corporation
Nu-Sky Energy	Nu-Sky Energy Inc.
Sky Ridge Resources	Sky Ridge Resources Ltd.
Sky Power	IS Digital Networks (Ptd) Ltd.
SkyPower	Skypower Solar Limited
Sky Power	Sky Power International Ltd.
SkyPower	SkyPower
Sky Power	Sky Power Institute
Sky Power Turbine Industries	Sky Power Turbine Industries, Inc
Sky Power International	Sky Power International, LLC

Sky Renewable Energy	Sky Renewable Energy
Sky Energy International	Sky Energy Inc.
Blue Sky Power	Blue Sky Power Ltd.
Blue Sky Power	Blue Sky Power
Clear Sky Power	Clear Sky Power
Desert Sky Wind Farm	Desert Sky Wind Farm
Green Sky Energy	Green Sky Energy
New Sky Energy	New Sky Energy
Open Sky Energy Systems	Open Sky Energy