



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

Citation: 2010 TMOB 96
Date of Decision: 2010-06-22

**IN THE MATTER OF AN OPPOSITION
by Fast Fence Inc. to application
No. 1,348,527 for the trade-mark
YELLOW FENCE RENTALS & Design
in the name of Yellow Fence Rentals Inc.**

[1] On May 23, 2007, Yellow Fence Rentals Inc. (the Applicant) filed an application to register the trade-mark YELLOW FENCE RENTALS & Design shown below (the Mark) based on use in Canada since at least August 2006 in association with “rental of portable fence panels” (the Services).



[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of February 6, 2008.

[3] On February 28, 2008 Fast Fence Inc. (the Opponent) filed a statement of opposition. The grounds of opposition can be summarized as follows:

- a) The Mark is not registrable in that:

- i. the Mark is descriptive of the character or quality of the wares or services to be provided in association with its use and/or proposed use;
 - ii. the Mark is the name of the wares and/or services in connection with which it is used or to be used;
 - iii. the “yellow fence” portion of the proposed trade-mark, by ordinary and *bona fide* commercial usage has become recognized in Canada as designating the kind, quality and value of the wares known as a general class as “hazard fencing”, “high visibility fencing” and/or “caution fencing”;
 - iv. registration of the Mark is likely to mislead the public by suggesting, whether through use or enforcement of the registration of the Mark, that the Applicant has a unique or proprietary right in connection with “hazard fencing”, “high visibility fencing” and/or “caution fencing” or has a unique or proprietary position in the marketplace in connection with “hazard fencing”, “high visibility fencing” and/or “caution fencing”; and
 - v. should the Mark be registered, use or enforcement of the Mark would hinder the development of similar or unique, but equally useful, yellow fencing by other traders.
- b) The Applicant is not the person entitled to registration of the Mark since:
- i. the use of the proposed trade-mark by the Applicant will cause confusion with the use or making known of “yellow fence” by the Opponent which commenced in January 2005 in connection with similar wares and/or services sold, leased or performed by the Opponent.
- c) The Mark is not distinctive because:
- i. it is confusingly similar to the trade-mark used by the Opponent;

- ii. by ordinary and *bona fide* commercial usage the Mark has become recognized in Canada as the kind, quality and value of wares of a general class known as “hazard fencing”, “high visibility fencing” and/or “caution fencing”; and
- iii. the Mark does not distinguish the Services from those of others, including those of the Opponent, in that the Opponent and others rent “yellow fence” within Ontario and throughout Canada.

[4] The Applicant served and filed a counter statement on July 8, 2008 in which it denied the Opponent’s allegations and put the Opponent to the strict proof thereof.

[5] In support of its opposition, the Opponent filed an affidavit of Allyson Newburg sworn December 23, 2008, with Exhibits A through F.

[6] The Applicant did not file any evidence in support of its application.

[7] Both parties filed written arguments. Neither party requested an oral hearing.

Opponent’s Evidence

Allyson Newburg

[8] Ms. Newburg is the Manager of the Opponent. Ms. Newburg states that the Opponent is in the business of renting and selling temporary fencing solutions, including “yellow fencing”, to the public and has been doing so since May 16, 1997.

[9] I should note that the majority of the Newburg affidavit is made up of Ms. Newburg’s opinions on substantive issues relating to the opposition proceeding (e.g. paragraphs 3, 4, 8-13 and 19-22 in whole or in part). The affiant’s opinions on these matters will not be considered as the merit of the opposition is the issue to be decided by the Registrar from the evidence filed in the present proceeding [see *British Drug Houses Ltd. v. Battle Pharmaceuticals* (1944), 4 C.P.R. 48 at 53 and *Les Marchands Deco Inc. v. Society Chimique Laurentide Inc.* (1984), 2 C.P.R. (3d) 25 (T.M.O.B.)].

[10] Ms. Newburg's evidence will be discussed in further detail below in the assessment of the s. 16(1)(a) and 12(1)(b) grounds of opposition.

Onus and Material Dates

[11] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (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 C.P.R. (3d) 293 (F.C.T.D.) at 298].

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

- s. 12(1)(b) - the filing date of the application [see *Fiesta Barbeques Ltd. v. General Housewares Corp.* (2003), 28 C.P.R. (4th) 60 (F.C.T.D.)];
- s. 12(1)(c) - the date of my decision [see *Park Avenue Furniture Corp. v. Wickes/Simmons Bedding Ltd.* (1991), 37 C.P.R. (3d) 413 (F.C.A.)];
- s. 12(1)(e) and 10 - the date of my decision [see *Canadian Council of Professional Engineers v. Groupegenie Inc.* (2009), 78 C.P.R. (4th) 126 (T.M.O.B.) and *Canadian Olympic Assn. v. Olympus Optical Co.* (1991), 38 C.P.R. (3d) 1 (F.C.A.)];
- s. 16(1)(a) - the claimed date of first use [see s. 16 of the Act];
- non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

Preliminary Remarks on the Grounds of Opposition

[13] I note that nowhere in its statement of opposition did the Opponent refer to sections of the Act. If sufficiently pleaded, the Registrar can make inferences as to which sections of the Act the Opponent intended to rely on. In cases like the present, the failure to refer to a specific section number of the Act can be considered a mere technical deficiency [see *Sun Squeeze Juices Inc. v. Shenkman* (1990), 34 C.P.R. (3d) 467 (T.M.O.B.)]. It is on this basis that I find that the following paragraphs of the statement of opposition refer to the sections of the Act identified below:

- Paragraph (a)(i) above – s. 38(2)(b) and s. 12(1)(b)
- Paragraph (a)(ii) above – s. 38(2)(b) and s. 12(1)(c)
- Paragraph (a)(iii) above – s. 38(2)(b) and s. 12(1)(e) and s. 10
- Paragraph (b)(i) above – s. 38(2)(c) and s. 16(1)(a)
- Paragraphs (c)(i), (ii) and (iii) above – s. 38(2)(d) and s. 2

[14] By contrast, I find that the allegations contained in paragraphs (a)(iv) and (a)(v) above do not support non-registrability grounds of opposition, for the reasons set out in further detail below.

[15] To the extent that the grounds of opposition set out in paragraphs (a)(i), (ii), (iii) and (b)(i) above, based on s. 12(1)(b), 12(1)(c), 12(1)(e) and 10, and 16(1)(a) of the Act respectively, relate to proposed use they are dismissed as the application is based on prior use of the Mark in Canada.

Non-registrability Grounds of Opposition

[16] To the extent that the grounds of opposition set out in paragraphs (a)(i) and (a)(ii), based on s. 12(1)(b) and (c) of the Act respectively, relate to wares they are dismissed as the application claims only services.

[17] In the ground of opposition set out in paragraph (a)(iv) above, the Opponent has pled that registration of the Mark would be likely to mislead the public by suggesting that the Applicant has a unique or proprietary right in connection with “hazard fencing”, “high visibility fencing” and/or “caution fencing” or has a unique or proprietary position in the marketplace in connection with these products. I find this ground of opposition to be somewhat garbled, even when viewed together with the evidence of record, making it difficult to determine what the Opponent intended to plead. Even if I was to infer that these allegations relate to the s. 12(1)(b) ground of opposition, they specifically refer to the “Applicant’s products”, which is improper since the application for the Mark claims only services. As a result, I dismiss this ground of opposition on the basis that it has been improperly pleaded.

[18] In the ground of opposition set out in paragraph (a)(v) above, the Opponent has pled that registration of the Mark would hinder the development of similar or unique yellow fencing by others. The allegations found in this paragraph appear to be based on s. 13(3) of the Act which applies to the registration of distinguishing guises. The Mark is not a distinguishing guise and as a result this ground of opposition is dismissed on the basis that it has been improperly pleaded.

Section 12(1)(e) and 10 Ground of Opposition

[19] As pleaded, the ground of opposition based on s. 12(1)(e) and 10 of the Act claims that the “yellow fence portion” of the Mark has, by ordinary and *bona fide* commercial usage become recognized in Canada as designating the kind, quality and value of the wares (my emphasis) known as a general class as “hazard fencing”, “high visibility fencing” and/or “caution fencing”. This ground of opposition which refers only to wares, must be dismissed on the basis that it has been improperly pleaded since the application for the Mark claims only services.

[20] In the event that I am incorrect in dismissing this ground of opposition on the basis that it has been improperly pleaded, I note that I would dismiss the ground of opposition on the basis that the Opponent has not met its initial evidential burden to provide evidence to support its assertion [see *Simpson Strong-Tie Co. v. Peak Innovation Inc.* (2007), 66 C.P.R. (4th) 48 (T.M.O.B.)]. The only evidence adduced to support this ground of opposition is a bald assertion in the Newburg affidavit that “the yellow portable fence panels, also described as “hazard

fencing”, “high visibility fencing” or “caution fencing” are known and requested by the public as “yellow fence””. This is insufficient to meet the Opponent’s burden.

[21] I wish to add that, even if there had been sufficient evidence to support the contention that the YELLOW FENCE portion of the Mark had become recognized as designating the kind, quality and value of the wares, this would not have been sufficient to support this ground of opposition. In *Anheuser-Busch, Inc. v. John Labatt Ltd.* (2001), 14 C.P.R. (4th) 548 (T.M.O.B.) the Registrar found that it is not sufficient to show ample use in Canada of each component of the mark at issue. Rather, the Opponent must show that the mark in its entirety is recognized in Canada as designating the kind and quality of the Services. In the present case, the evidence, such as it is, deals solely with the words “YELLOW FENCE” and not the Mark as a whole.

[22] Based on the foregoing, I dismiss the ground of opposition based on s. 12(1)(e) and 10 of the Act.

Non-distinctiveness Ground of Opposition

[23] In paragraphs (c)(i) – (iii) above, the Opponent has pled the non-distinctiveness ground of opposition as a three-pronged ground of opposition. The first prong relates to the allegation that the Mark is confusingly similar with a trade-mark used by the Opponent (paragraph (c)(i)). The second prong relates to s. 10 of the Act (paragraph (c)(ii)). The third prong relates to the allegation that the Mark does not distinguish the Services from those of others, including those of the Opponent (paragraph (c)(iii)).

[24] The Opponent has not alleged sufficient facts (as set out above at paragraph 19) in support of the second prong of this ground of opposition and as such I find that it has not met its burden and I reject the ground of opposition set out in paragraph (c)(ii) above accordingly. The first and third prongs, set out in paragraph (c)(i) and (c)(iii) above, will be discussed in further detail below.

Ground Dismissed for Opponent's Failure to Meet Its Evidentiary Burden

Non-entitlement – s. 16(1)(a) Ground of Opposition

[25] Despite the burden of proof on the Applicant to establish, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's trade-mark, the Opponent has the initial onus of proving that the trade-mark alleged in support of its ground of opposition based on s. 16(1)(a) of the Act was being used prior to the Applicant's claimed date of first use (August 2006) and had not been abandoned at the date of advertisement of the application for the Mark (February 6, 2008) [s. 16(5) of the Act].

[26] The Opponent bases this ground of opposition on "yellow fence" which it claims to have used or made known since January 2005 in association with "the leasing and sale of portable, yellow, high visibility fence". It is not clear whether "yellow fence" is a trade-mark. Specifically, it is not clear whether the Opponent is alleging rights in a word mark, YELLOW FENCE, or a trade-mark consisting of the colour yellow as applied to the shape of a fence panel. According to *Novopharm Limited v. AstraZeneca AB* (2002), 21 C.P.R. (4th) 289 (F.C.A.) I must assess the sufficiency of the pleadings in association with the evidence. Having done this, the most that I am ready to infer is that the Opponent meant to refer to a trade-mark consisting of the colour yellow as applied to the shape of a fence panel. If I was wrong in not considering that the Opponent was referring to the trade-mark YELLOW FENCE, I note that it did not adduce any evidence of use of such a trade-mark.

[27] Ms. Newburg states that the Opponent has been offering yellow fencing solutions, to its customers since 2004.

[28] Ms. Newburg states that the Opponent began using and making known "yellow fence" in association with the leasing and sale of portable, yellow, high visibility fence barricades (my emphasis) in May 2004. In support of this statement, Ms. Newburg attaches a sales invoice dated May 12, 2004 which she claims demonstrates the sale of a yellow barricade fence (Exhibit C). Ms. Newburg attaches a photograph of the fence referred to in the attached invoice (Exhibit D). While the exhibits to Ms. Newburg's affidavit are not in colour, I have no reason to question her assertion that the fence in the photograph is yellow. While this use may constitute use of a trade-

mark consisting of the colour yellow as applied to the shape of a fence barricade prior to the date of first use for the Mark (August 2006), no other evidence has been adduced which enables me to conclude that the mark had not been abandoned as of the date of advertisement of the Mark (February 6, 2008).

[29] Ms. Newburg states that the Opponent began using and making known “yellow fence” in association with the leasing and sale of portable, yellow, high visibility fence panels (my emphasis) in March 2006. In support of this statement, Ms. Newburg attaches a copy of a purchase invoice dated March 17, 2006 which she claims evidences the Opponent’s purchase of a yellow barrier fence from Integrity Worldwide Inc. (Exhibit E). The invoice does mention that the fence referred to therein is “painted yellow”. Ms. Newburg states that this fencing was used by the Opponent as inventory in connection with the Opponent’s business of leasing portable fencing to the public. Ms. Newburg attaches a photograph of this fence (Exhibit F). Even if I am to accept this exhibit as evidence of use of a trade-mark consisting of the colour yellow as applied to the shape of a fence panel, any such use would be that of Integrity Worldwide Inc., the manufacturer of the panel which is the subject of the invoice, not the Opponent.

[30] Even if I am to accept Exhibits C and D to Ms. Newburg’s affidavit as showing use of a trade-mark consisting of the colour yellow as applied to the shape of a fence barricade in May 2004, the Opponent has not provided any evidence of use of such a trade-mark that enables me to conclude that the mark had not been abandoned as of the date of advertisement. As a result, the Opponent has not discharged its burden of showing non-abandonment of a confusingly similar trade-mark and I dismiss the ground of opposition based on s. 16(1)(a) accordingly.

Section 12(1)(b) Ground of Opposition

[31] The Opponent submits, through the Newburg affidavit, that the Applicant “intends to maintain an inventory of portable fence panels painted yellow and to rent yellow portable fence panels to the public”. Ms. Newburg also states that, in addition to the Mark, the Applicant has filed two related applications, namely application No. 1,348,525 which consists of the colour yellow as applied to the whole visible surface of a fence panel, as shown in a drawing attached to the application, and application No. 1,348,528 which consists of the application of reflective material to the visible surface of a fence panel as shown by dark bands in a drawing attached to

the application. Ms. Newburg attaches to her affidavit particulars of these applications obtained from the Canadian Trade-marks Database of the Canadian Intellectual Property Office (CIPO) on December 20, 2008 (Exhibits A, B). While these applications are not the subject of the present opposition proceeding and the particulars thereof are not at issue, I find that the existence of these applications, which were filed on the same date as the application for the Mark and pending as of December 20, 2008, supports the Opponent's contention that the fences rented by the Applicant are yellow.

[32] In her affidavit, Ms. Newburg makes the bald assertion that the yellow portable fence panels (which, according to the Opponent, are also known as "hazard fencing", "high visibility fencing" and "caution fencing") are known and requested by the public as "yellow fence". Ms. Newburg states that it is this "yellow fence" that the Applicant intends to rent to the public.

[33] The Opponent also adduces evidence, through the Newburg affidavit, of its own sale and rental of yellow fences. Details of this evidence were discussed above in the assessment of the s. 16(1)(a) ground of opposition.

[34] Ultimately I find that, when viewed as a whole, the Newburg affidavit contains sufficient evidence to enable the Opponent to meet its evidential burden for this ground of opposition.

[35] The issue as to whether the Mark is clearly descriptive or deceptively misdescriptive of the character or quality of the Services must be considered from the point of view of the average purchaser of the Services. Further, "character" means a feature, trait or characteristic of the Services and "clearly" means "easy to understand, self-evident or plain" [see *Drackett Co. of Canada Ltd v. American Home Products Corp.* (1968), 55 C.P.R. 29 at 34]. Finally, 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 [see *Wool Bureau of Canada Ltd. v. Registrar of Trade Marks* (1978), 40 C.P.R. (2d) 25 (F.C.T.D.) at 27-8; *Atlantic Promotions Inc. v. Registrar of Trade Marks* (1984), 2 C.P.R. (3d) 183 (F.C.T.D.) at 186].

[36] The Applicant has acknowledged the clearly descriptive nature of the words FENCE and RENTALS by disclaiming the right to the exclusive use of each word apart from the Mark in the application.

[37] The Mark is a composite one containing the words YELLOW FENCE RENTALS and design features in the form of a large letter “Y”. Furthermore, the words YELLOW, FENCE and RENTALS are superimposed over the “Y” in decreasing size with YELLOW being the largest and RENTALS being the smallest.

[38] The registrability of composite marks with respect to s. 12(1)(b) has been dealt with in *Best Canadian Motor Inns Ltd. v. Best Western International Inc.* (2004), 30 C.P.R. (4th) 481 (F.C.T.D.) (*Best Canadian Motor Inns*). Pursuant to *Best Canadian Motor Inns*, when dealing with composite marks, one must assess the visual impression created by the word and design elements of the mark. Where the design element of the mark does not stimulate the visual interest, the word element will be deemed dominant. In situations where you have a composite mark that, when sounded, contains word elements that are clearly descriptive or deceptively misdescriptive and are also the dominant feature of the mark, the mark will not be registrable pursuant to s. 12(1)(b) of the Act.

[39] I conclude that, when sounded, the words “yellow”, “fence” and “rental”, when used together, are clearly descriptive of a feature, trait or characteristic of the Services, namely the rental of portable fence panels, which, according to the Opponent’s evidence, are yellow.

[40] Having found that the phrase YELLOW FENCE RENTALS, when sounded, is clearly descriptive of the Services, the question is whether the Mark is still registrable in view of the design component.

[41] I find that the visual impression created by the large letter “Y” does not stimulate visual interest and as a result is inferior to the associated words YELLOW FENCE RENTALS. The letter “Y”, while larger than the word components, appears as a shadow in the background of the Mark and as a result does not stimulate visual interest. Furthermore, I note that, as a general rule, letters have low inherent distinctiveness.

[42] Applying the “clearly descriptive when sounded” test as set out in the *Best Canadian Motor Inns* decision, I would expect the average person to sound the Mark as “YELLOW FENCE RENTALS” and be drawn to this as the dominant element. I therefore find that the

Mark as a whole, and as a matter of immediate impression, is clearly descriptive when sounded of the Services in Canada and therefore offends s. 12(1)(b) of the Act.

[43] Having found that the Opponent has met its burden to establish that the Mark is clearly descriptive of the Services, the burden shifts to the Applicant to demonstrate that the Mark has acquired distinctiveness. The Applicant has not filed any evidence. As a result, the Applicant has not met its burden of establishing that the Mark is distinctive of the Applicant and the ground of opposition based on s. 12(1)(b) of the Act is therefore successful.

Section 38(2)(d) Ground of Opposition

[44] While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its Services 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 the ground of non-distinctiveness. The material date for assessing distinctiveness is the date of filing of the opposition (February 28, 2008) [see *Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.T.D.)].

[45] With respect to the first prong of this ground of opposition, namely, the allegation that the Mark is confusingly similar to a trade-mark mark previously used by the Opponent, I note that the Opponent did not succeed in establishing that its claimed mark had become known sufficiently to negate the distinctiveness of the Mark and as a result, I find that the Opponent has not met its burden and I reject the ground of opposition set out in paragraph (c)(i) above accordingly

[46] With respect to the third prong of this ground of opposition, namely, the allegation that the Mark does not distinguish the Services from those of others, including those of the Opponent, I find that the Opponent has met its burden. A mark cannot be distinctive if it is a descriptive term which is in use by traders in similar lines of business to describe a quality and/or characteristic of their services. It has been previously held in *Imperial Tobacco Ltd. v. Benson and Hedges (Canada) Inc.* (1983), 75 C.P.R. (2d) 115 (F.C.T.D.) that a purely descriptive mark is necessarily non-distinctive. As I have already concluded that the Mark, when sounded, is

clearly descriptive or deceptively misdescriptive of the Services, it follows that the Mark is also non-distinctive. Further, in view that the Applicant has not shown use of the Mark in association with the Services pursuant to s. 4(2) of the Act, the Mark has not acquired any distinctiveness to distinguish the Services from those of others throughout Canada. This ground of opposition is therefore also successful.

Section 12(1)(c) Ground of Opposition

[47] As the opposition has succeeded on two grounds, I do not consider it necessary to deal with the s. 12(1)(c) ground of opposition.

Disposition

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

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