



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

Citation: 2011 TMOB 64
Date of Decision: 2011-04-18

**IN THE MATTER OF AN OPPOSITION
by Service Experts Inc. to application
No. 1,261,657 for the trade-mark
CANADIAN HVAC SERVICE
EXPERTS in the name of Pope and Sons
Refrigeration Ltd.**

[1] On June 17, 2005, Pope and Sons Refrigeration Ltd. (the Applicant) filed an application to register the trade-mark CANADIAN HVAC SERVICE EXPERTS (the Mark) based on use of the Mark in Canada since at least as early as October 2000 in association with: “maintenance, repair, service and installation services for: plumbing, heating, air conditioning, refrigeration equipment, food service equipment, solar powered equipment, electrical equipment, recreational vehicles, offshore oil rig air conditioners and refrigeration equipment and renewable energy equipment” (the Applicant’s Services). The Applicant has disclaimed the right to the exclusive use of the words CANADIAN and SERVICE apart from the Mark.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of December 12, 2007.

[3] On May 7, 2008, Service Experts Inc. (the Opponent) filed a statement of opposition. The Applicant filed and served a counter statement in which it denied the Opponent’s allegations.

[4] In support of its opposition, the Opponent filed an affidavit of Timothy G. Inch. In support of its application, the Applicant filed affidavits of David Pope, Earl Scott and Douglas Pope. No cross-examinations were conducted.

[5] Only the Opponent filed a written argument. An oral hearing was not held.

Summary of Grounds of Opposition and Applicable Material Dates

[6] The grounds of opposition pleaded by the Opponent pursuant to the *Trade-marks Act*, R.S.C. 1985, c. T-13 (the Act) are summarized below:

1. contrary to s. 38(2)(a) and 30(b), the Applicant has not used the Mark since at least as early as October 2000 in respect of the Applicant's Services;
2. contrary to s. 38(2)(d) and 2, the Mark is not distinctive of the Applicant because it does not distinguish and is neither adapted to distinguish nor capable of distinguishing the Applicant's Services from the services of others, and more particularly from the services in association with which the SERVICE EXPERTS trade-mark of the Opponent has been extensively used, and continues to be extensively used in Canada by the Opponent;
3. contrary to s. 38(2)(a) and 30(i), the Applicant could not state that it was satisfied that it was entitled to use the Mark in association with the Applicant's Services in light of the facts set out above.

[7] The material dates with respect to the grounds of opposition are as follows:

- s. 38(2)(a)/30 - the filing date of the application [*Georgia-Pacific Corp. v. Scott Paper Ltd.* (1984), 3 C.P.R. (3d) 469 (T.M.O.B.) at 475];

- s. 38(2)(d)/2 - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc. v. Stargate Connections Inc.* (2004), 34 C.P.R. (4th) 317 (F.C.)].

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[8] 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 C.P.R. (3d) 293 (F.C.T.D.) at 298].

Section 30(b) Ground of Opposition

[9] The Opponent can meet its initial burden under s. 30(b) by reference not only to its own evidence but also to the Applicant's evidence [see *Labatt Brewing Company Limited v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) (F.C.T.D.) 216 at 230]. However, the Opponent may only successfully rely upon the Applicant's evidence to meet its initial burden if the Opponent shows that the Applicant's evidence is 'clearly' inconsistent with the claims set forth in the Applicant's application.

[10] Here, the Applicant has claimed use of its Mark since at least as early as October 2000, which is interpreted as October 31, 2000. David Pope, the Applicant's President, states that the Applicant adopted the Mark since at least as early as October 2000 and that since that time, the Applicant has used and continues to use the Mark extensively in Canada in association with maintenance, repair, service and installation services for plumbing, heating, air conditioning, refrigeration equipment, food service equipment, electrical equipment, renewable energy and solar powered equipment, and recreational vehicles. He provides the annual revenue figures for services provided in association with the Mark for each of the Applicant's fiscal years from 2000 to 2008. He also informs us that in October 2000, he requested Scott Signs Ltd. to print the Mark on all of the Applicant's service vans and that, over the course of a few months, the Mark was printed on the entire fleet. All new service vans also have the Mark printed on them and David Pope has provided a photograph of two of the Applicant's vans plus a copy of an April 10, 2001 invoice issued by Scott Signs Ltd. regarding the installation of the Mark on one of the Applicant's vans. The Applicant's other affiants corroborate the afore-mentioned evidence.

[11] Douglas Pope is a one-third owner of the Applicant, together with his brother David and his father. Douglas Pope is also the President of Canadian HVAC Service Experts Inc., which is an authorized licensee of the Applicant. In addition to the evidence already provided by his brother, Douglas Pope informs us that on October 18, 2000, he changed the name of one of his companies, Douglas Pope Inc., to Canadian HVAC Service Experts Inc. He attests that such company is licensed by the Applicant to use the Mark and that at all times the Applicant maintains control over the character and quality of the services provided in association with the Mark. He provides as Exhibit E a copy of his business card, which displays the Mark.

[12] The Opponent has argued that the Applicant has not satisfactorily evidenced that it used the Mark at least as early as October 2000. It is true that there are only bald statements that the Mark was in use as of the date claimed. It is also true that neither the photographs of the vans displaying the Mark nor Douglas Pope's business card have been dated; nor have invoices been provided to evidence services performed as of the claimed date of first use. I agree that the Applicant has not clearly evidenced use of its Mark since at least as early as October 2000, but the Applicant is not obliged to do so in the absence of any evidence suggesting that it did not in fact use its Mark as claimed. Although the evidence presented by the Applicant is lacking in specificity, it is not clearly inconsistent with the claims made in the application, except in one regard. None of the evidence makes any reference to "offshore oil rig air conditioners and refrigeration equipment". The omission of this phrase in the bald statement of use is clearly inconsistent with the claim made in the application. Therefore, the s. 30(b) ground succeeds with respect to this phrase only, which shall be deleted from the statement of services. I do not consider the evidence to be otherwise clearly inconsistent with the claims made. It was open to the Opponent to cross-examine the Applicant's affiants if it wished to explore what it perceived as deficiencies in their affidavits, but it chose not to.

Section 30(i) Ground of Opposition

[13] Where an applicant has provided the statement required by s. 30(i), a s. 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [see *Sapodilla Co. Ltd. v. Bristol-Myers Co.* (1974), 15 C.P.R. (2d) 152 (T.M.O.B.) at 155]. The Applicant has provided the necessary statement and this is not an exceptional case; the s. 30(i) ground is accordingly dismissed.

Distinctiveness Ground of Opposition

[14] The Opponent has not pleaded or argued that the Applicant's Mark is not distinctive because it is confusing with the Opponent's mark; rather the Opponent has argued that the distinctiveness acquired by the Opponent's mark as of May 7, 2008 was sufficient to negate any distinctiveness of the Applicant's Mark.

[15] The evidence relied upon by the Opponent in support of this ground is the affidavit of Mr. Inch. Mr. Inch is the President of Lennox Canada Inc. Lennox Canada Inc. is a wholly owned subsidiary of Lennox Inc., a Canadian corporation which is a wholly owned subsidiary of the Opponent, whose principal place of business is in Texas.

[16] Mr. Inch attests that Lennox Canada Inc. is licensed by the Opponent to use the trademark SERVICE EXPERTS in accordance with a license agreement attached as Exhibit TI-1. According to the agreement, the license is non-exclusive and effective February 2, 2007.

[17] Mr. Inch attests that the Opponent, directly or through licensees, has offered the following services in Canada in association with the SERVICE EXPERTS mark since at least as early as November 2001: maintenance, repair, servicing and installation services for air conditioning, heating, plumbing and electrical equipment. The services are offered, amongst other venues, through the website *www.serviceexperts.ca*.

[18] Mr. Inch provides the dollar value of equipment and services sold in Canada in association with the SERVICE EXPERTS mark for each of the years 2002-2008. However, Mr. Inch says that he has been informed of these figures by M. Gregg Barnard, the Opponent's Director of General Accounting Services, whom he verily believes. It was established in *Labatt Brewing Company Limited v. Molson Breweries, a Partnership* (1996), 68 C.P.R. (3d) 216 (F.C.T.D.) that statements made in an affidavit based on information and belief are *prima facie* inadmissible hearsay evidence unless they satisfy the criteria of necessity and reliability. Mr. Inch does not provide any information concerning why Mr. Barnard did not provide an affidavit to introduce these figures and therefore I am unable to conclude that it was necessary for Mr. Inch to provide this hearsay evidence. I note that Mr. Inch and Mr. Barnard are not even employed by the same company.

[19] Mr. Inch attests to his personal knowledge that the Opponent's SERVICE EXPERTS services have been promoted in Canada since at least as early as November 2001 on radio and through other means including sponsorship of a curling tournament in February 2006. Although Mr. Inch provides advertising expenditures for the years 2002 to 2008, once again these figures were provided by Mr. Barnard and are only introduced based on Mr. Inch's information and belief. Mr. Inch also provides copies of advertisements in association with the SERVICE

EXPERTS trade-mark, but Mr. Inch states that these “have been provided to me by Mr. McCord”, who is the Opponent’s legal counsel.

[20] Mr. Inch also provides copies of two Canadian newspaper articles that reference SERVICE EXPERTS, both dated 2002.

[21] I am of the view that I should accord little weight to the hearsay evidence introduced by Mr. Inch, in particular the sales and advertising figures related to the Opponent’s SERVICE EXPERTS mark. However, even if I were to accord that evidence full weight, the distinctiveness ground of opposition fails for the following reasons. Extensive use or promotion of the Opponent’s SERVICE EXPERTS mark does not address the differences between the parties’ marks. The Opponent’s first use of SERVICE EXPERTS postdates the Applicant’s first use of CANADIAN HVAC SERVICE EXPERTS. It is very difficult for a junior user to usurp a senior user’s distinctiveness, but particularly more so when the marks are not identical. It is even more difficult when the words that make up the party’s marks are ordinary words that are apt for the parties’ industry. Inherently weak marks, such as SERVICE EXPERTS, are only entitled to a narrow scope of protection and CANADIAN HVAC SERVICE EXPERTS is sufficiently different from SERVICE EXPERTS, because of its significantly different beginning. Even if I were to accept that the Opponent’s mark had acquired a significant reputation as of May 7, 2008, I remain satisfied that the presence of the leading words CANADIAN HVAC in the Applicant’s Mark serves to distinguish the two marks. It is a well accepted principle that the first portion of a trade-mark is the most relevant for the purposes of distinction [see *Conde Nast Publications Inc. v. Union des Editions Modernes* (1979), 46 C.P.R. (2d) 183 at 188 (F.C.T.D.)].

[22] I will also add that the Applicant evidenced that its sales in association with its Mark exceeded one million dollars in each of the years 2002 to 2008 (paragraph 6, David Pope affidavit). Although such sales are substantially less than those claimed by the Opponent, they are not insignificant. Furthermore, it appears that the Applicant’s CANADIAN HVAC SERVICE EXPERTS services and the Opponent’s SERVICE EXPERTS services have co-existed in Ontario for seven years or more, without confusion occurring.

Disposition

[23] Pursuant to the authority delegated to me under s. 63(3) of the Act, I reject the opposition with respect to “maintenance, repair, service and installation services for: plumbing, heating, air conditioning, refrigeration equipment, food service equipment, solar powered equipment, electrical equipment, recreational vehicles, and renewable energy equipment”, pursuant to s. 38(8) of the Act. The application is refused with respect to that portion of the statement of services that reads “offshore oil rig air conditioners and refrigeration equipment”. [See *Produits Ménagers Coronet Inc. v. Coronet-Werke Heinrich Schlerf GmbH* (1986), 10 C.P.R. (3d) 482 (F.C.T.D.) as authority for a split decision.]

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