



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

Citation: 2013 TMOB 51
Date of Decision: 2013-03-28

**IN THE MATTER OF AN OPPOSITION
by MD Realty Investments Inc. to
application No. 1,459,697 for the trade-
mark fab-homes in the name of
Alexander Maurer**

[1] On November 19, 2009, Alexander Maurer (the Applicant), filed an application for the trade-mark fab-homes (the Mark) based upon use of the Mark in Canada since October 1st, 2009. The statement of wares and services currently reads:

Wares: Passive Homes, Pre-fabricated Homes, Predesigned Homes, Passive Designed Dwellings, Passive Designed Townhomes, Passive Designed Multifamily units.

Services: (1) Architectural Design and Passive House design. (2) Green Building Consulting.

[2] The application was advertised for opposition purposes in the *Trade-marks Journal* of April 28, 2010.

[3] On June 21, 2010, MD Realty Investments Inc. (the Opponent) filed a statement of opposition against the application. The grounds of opposition are that the Applicant's application does not conform to the requirements 30(i) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act), the Mark is not registrable pursuant to section 12(1)(d), the Applicant is not the person entitled to registration of the Mark pursuant to sections 16(1)(a), (b) and (c), and the Mark is not distinctive. Except for the section 16(1)(c) ground which is based on confusion with the Opponent's trade-name Fab Pads, each of the grounds is based on confusion with the Opponent's use and

registration of its FAB PADS & Design trade-mark, registration No. TMA717,026 and FABULOUS HOMES WITH FABULOUS STYLE trade-mark, registration No. TMA748,166.

[4] The Applicant filed and served a counter statement, in which it denied the Opponent's allegations.

[5] The Opponent's evidence consists of the affidavit of Steven Wheeler. The Applicant filed the affidavits of Alexander Maurer and Deanna Shannon. As its evidence in reply, the Opponent filed the affidavits of Josée Aubin and Julie Guinchard.

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

Onus and Material Dates

[7] 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 [see *John Labatt Ltd v Molson Companies Ltd.* (1990), 30 CPR (3d) 293 (FCTD) at 298; *Dion Neckwear Ltd v Christian Dior, S.A. et al.* (2002), 20 CPR (4th) 155 (FCA)].

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

- section 30 - the filing date of the application [see *Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- section 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)];
- section 16(1) - the Applicant's date of first use [see section 16(1)];
- non-distinctiveness - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc.* (2004), 34 CPR (4th) 317 (FC)].

Section 30 Ground of Opposition

[9] As its first ground of opposition, the Opponent pleads as follows:

The application does not conform to the requirements of section 30 as the Applicant could not have been satisfied that he was entitled to use the trade-mark in Canada in association with the wares and services described in the Application as the Opponent's registered trade-marks FAB PADS, TMA 717,026 and FABULOUS HOMES WITH FABULOUS STYLE, TMA748,166 were both used and registered in Canada well in advance of the Applicant filing its application.

[10] In its written argument, however, the Opponent adds that the application does not comply with section 30 of the Act because neither the Applicant nor his licensee has used the Mark whatsoever in association with the applied for wares, and neither the Applicant nor his licensee has used the Mark in association with the applied for services since the date claimed in the application.

[11] Recently, in *Stella Cadente SARL v Sweet People Apparel Inc* (January 18, 2012 TMOB (unreported), Application No. 1,308,568), Member de Paulsen commented on the issue of pleadings as follows:

The Federal Court has directed that an opposition is to be assessed in view of the grounds of opposition as pleaded. Where an opponent has pleaded that the application fails to comply with a section of the Act based on a particular set of circumstances, it is not permissible to refuse it on the basis that it does not comply with that section of the Act for reasons different than those pleaded. In paras. 27- 29 of the *Massif Inc. v. Station Touristique Massif du Sud (1993) Inc.* (2011), 95 C.P.R. (4th) 249 (F.C.) decision, the Federal Court explains:

It is settled law that the Board is not authorized to allow an opposition on the basis of a ground that has not been raised by the opposing party. In *Imperial Developments Ltd. v. Imperial Oil Ltd.*, 26 A.C.W.S. (2d) 155, 79 C.P.R. (2d) 12 (Justice Muldoon), the Court stated that an organization such as the Registrar of Trade-Marks is a creature of statute and that it has no inherent or extrinsic jurisdiction in its constituting legislation. The Court also stated that the Registrar called on to dispose of an opposition could not base its decision on a ground that had not been stated in the statement of opposition.

More recently, in *Procter & Gamble Inc. v. Colgate-Palmolive Canada Inc.*, 2010 FC 231, 364 F.T.R. 288, at paragraph 26, 81 C.P.R. (4th) 343, Justice Boivin also adopted this jurisprudential principle:

... The Respondent submits it is settled law that there is no jurisdiction to deal with an issue not found in a Statement of Opposition and this Court does not have jurisdiction to entertain issues that were not raised before the Board (*McDonald's Corp. v. Coffee Hut Stores Ltd.* , (1994), 76 F.T.R. 281, 55 C.P.R. (3d) 463 , aff'd (1996) 199 N.R. 106, 68 C.P.R. (3d) 168 (F.C.A.)). I agree with the Respondent....

I agree with these principles. In this case, even if the Board refused the application for registration on the basis of a failure to meet the requirements of paragraph 30(b) of the Act and the respondent's opposition had also been based on the failure to respect this paragraph, the respondent's opposition referred to a "failure" that is different from that on which the Board based its decision.

[12] I think the above principles equally apply to the present case. As the Opponent in the present case did not plead non-compliance with section 30(b) as a ground of opposition, I am not considering it. I note that nothing would have prevented the Opponent from requesting leave to amend its statement of opposition after being served with the Applicant's evidence.

[13] With respect to the Opponent's section 30(i) ground, 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]. As this is not such a case, I am dismissing this ground of opposition.

Remaining Grounds of Opposition

[14] Each of the remaining grounds of opposition turns on the issue of the likelihood of confusion between the Mark and each of the Opponent's marks, or the Opponent's trade-name Fab Pads. I consider the Opponent's case to be strongest with respect to the ground that the Mark is not registrable pursuant to section 12(1)(d) of the Act because it is confusing with the Opponent's registered trade-mark FAB PADS & Design, registration No. TMA717,026, shown below:



fab pads

[15] I note that the Opponent's initial burden with respect to the section 12(1)(d) ground has been satisfied because registration No. TMA717,026 for FAB PADS & Design is in good standing. This mark is registered in association with the following wares and services:

Wares: Promotional items, namely hats, t-shirts, golf shirts, coats, jackets, fridge magnets, umbrellas, golf balls, mouse pads, calendars, water bottles, business card holders, writing instruments namely pencils and pens, key rings, garment bags, tote bags, travel mugs, mugs, beverage glasses, self-stick removable notes, golf balls and tees, license plate frames, playing cards.

Services: (1) Property management services; (2) Operation and administration of a holding company for residential and commercial properties; (3) Rental and sale of residential and commercial properties; (4) Business consultation services, namely in the field of real estate investment and development; (5) Electronic commerce services, namely operation of a database of residential and commercial properties for rent, lease and sale.;(6) Acquisition, repair, and renovation of commercial and residential properties.(7) Building of residential and commercial properties. (8) Development of land.

test for confusion

[16] 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 or trade-names 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 or trade-names in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight.

[17] These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [see *Mattel, Inc v 3894207 Canada Inc*, [2006] 1 SCR 772 (SCC) at para. 54 and *Veuve Cliquot Ponsardin v Boutiques Cliquot Ltée* (2006), 49 CPR (4th) 401 (SCC)

at para. 20]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 92 CPR (4th) 361 (SCC) at para. 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

section 6(5)(a) – the inherent distinctiveness of the trade-marks and the extent to which each trade-mark has become known

[18] Both parties' marks possess some degree of inherent distinctiveness to the extent that they both include the component FAB which has no obvious meaning in relation to either of their wares or services. In view that the word "pad" is a colloquial term for the word "home", the second component of both parties' marks are both somewhat suggestive of their wares and services. The Opponent's mark is inherently stronger than the Mark, however, because of its distinctive design component.

[19] The strength of a trade-mark may be increased by means of it becoming known through promotion or use. Mr. Wheeler, General Manager of the Opponent, states in his affidavit that the Opponent has used the registered mark FAB PADS & Design continuously since at least as early as 2006 in association with residential homes and commercial properties, as well as the services of designing, developing, building, selling, customizing, renovating and renting residential and commercial properties [Wheeler, paras. 5 and 6]. Attached as exhibits to Mr. Wheelers' affidavit are various materials showing how the Opponent's mark has been used in association with its wares and services, including copies of business cards, logo proofs and letterhead bearing the Opponent's mark, photographs of property signage bearing the Opponent's mark, and sales contracts for properties designed, customized and developed in association with the trade-mark FAB PADS. Mr. Wheeler also provides copies of pages from the Opponent's fabpads.ca website which shows advertising of the Opponent's services.

[20] The Applicant's affiant Mr. Maurer claims that Marken Projects Inc. is licensed to use the Mark and that he retains direct control over the character and quality of the services provided under the Mark [Maurer, para. 6]. While the application for the Mark claims that the Applicant has used the Mark in association with both the applied for wares and the applied for services since October 1, 2009, Mr. Maurer states that no actual sales were made in association with the

Mark in 2009. The Applicant's services were available to be performed, however, as of that date [see Maurer, para. 9]. The remainder of Mr. Maurer's evidence may be summarized as follows:

- the Applicant has provided services in association with the Mark to DF Construction in 2010 and 2011 [Maurer, para. 8 and Exhibit C];
- in October, 2009, the Applicant sent out e-mails to potential customers advertising the Applicant's services [Maurer, para. 9 and Exhibit D] but the only trade-mark that appears in such e-mails is the Marken Projects design mark;
- the Applicant's services were advertised online [Maurer, Exhibits F, G, H], but there is no evidence that the Mark was used in association with these services in these advertisements;
- the Applicant purchased the domain name "fab-homes.com"[Maurer, paras. 22-27 and Exhibits L-P];
- reference to the Applicant's services have been made in several articles from various publications, but circulation figures for these publications in Canada has not been provided [Maurer, paras 28-29; Exhibits Q-R].

[21] Based on the foregoing information, I conclude that the Opponent's mark has become known to a greater extent across Canada than the Mark.

section 6(5)(b) - the length of time each trade-mark has been in use

[22] The length of time that each mark has been in use favours the Opponent.

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

[23] It is the Applicant's statement of wares and services as defined in its application versus the Opponent's registered wares and services that govern my determination of this factor [see *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)].

[24] The Opponent submits that the Applicant and the Opponent operate in the same marketplace, namely the “green” building industry. In this regard, the Opponent submits that both are members of the Canada Green Building Counsel and both use their marks in association with conceptualizing, preparing and implementing building designs that incorporate green technologies (i.e. homes that are energy efficient and environmentally friendly) [Wheeler, Exhibit Q; Maurer, para.4]. Both parties also market homes to consumers and perform design, customization and development of such homes in association with the marks. I agree with the Opponent that the Applicant’s wares and services and the Opponent’s services are similar.

[25] In view of the similarity between the Applicant’s wares and services and the Opponent’s services, it is likely that 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

[26] While the Supreme Court of Canada in *Masterpiece* observed that the first word of a trade-mark may be the most important for purposes of distinction [see also *Conde Nast Publications v Union des Editions Modernes* (1979), 46 CPR (2d) 183 (FCTD)], it opined that the preferable approach is to begin by determining whether there is an aspect of the trade-mark that is particularly striking or unique.

[27] In the present case, the most distinctive component of both parties’ marks is also the first component of both marks, namely the component FAB. This component is followed by a one syllable non distinctive word (i.e. the word HOMES in the Applicant’s case and the word PADS in the Opponent’s case). I therefore consider there to be a high degree of resemblance between the marks in appearance and sound. As the second components of both parties’ marks are similar in meaning, I also consider there to be a high degree of resemblance between the marks in idea suggested. As previously noted, “pad” is a colloquial term for the word “home”.

Further surrounding circumstances

[28] As a further surrounding circumstance, I have considered the evidence of Ms. Shannon. She conducted a search of the Canadian Trade-marks Database for marks that contained the

letters “fab” as the first portion of the mark and were registered for property design services. She also provided search results for marks incorporating the terms MASON, ECO, URBAN and LIVING.

[29] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located [see *Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD); *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA)].

[30] I agree with the Opponent that it is not clear how the search results provided for marks incorporating the terms MASON, ECO, URBAN and LIVING are relevant to any of the issues in this opposition. Further, the existence of three registrations that include the component “fab” as the first portion of the mark, only two of which are for services related to real property or design, is too small to support the drawing of an inference that any of them are in active use such that consumers would be used to seeing such marks in the field of property management services or architectural services. Thus, the Shannon affidavit does little to assist the Applicant’s case.

conclusion re likelihood of confusion

[31] The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees fab-homes on the Applicant’s wares and services at a time when he or she has no more than an imperfect recollection of the Opponent’s FAB PADS & Design trade-mark, and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot*].

[32] In view of my findings above, and in particular the high degree of resemblance between the marks in appearance for overlapping wares and services, it seems to me that such a consumer would, as a matter of first impression, be likely to believe that the wares and services associated with the Opponent’s FAB PADS & Design mark and the Mark were manufactured, sold or performed by the same person.

[33] I conclude that the Applicant has not discharged the legal onus resting upon it to establish that the Mark is not reasonably likely to cause confusion with the Opponent's FAB PADS & Design mark. The section 12(1)(d) ground of opposition based upon registration No. TMA717,026 therefore succeeds.

Disposition

[34] In view of the above, and 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.

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