



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

**Citation: 2018 TMOB 70**

**Date of Decision: 2018-07-05**

**IN THE MATTER OF AN OPPOSITION**

**Insitu Machining Inc.**

**Opponent**

**And**

**In-Situ Machining Solutions Ltd.**

**Applicant**

**1621810 for IN-SITU & Design**

**Application**

INTRODUCTION

[1] Insitu Machining Inc. (the Opponent) is a provider of on-site machining services for various industries, including the power, petro-chemical and marine industries. It has provided these services in Canada in association with the trade-marks INSITU and INSITU MACHINING (the Opponent's marks) and the trade-name INSITU MACHINING INC.

[2] In 2013, In-Situ Machining Solutions Inc. (the Applicant) filed an application to register the trade-mark IN-SITU & Design (shown below) in association with a variety of industrial machinery services in the oil and gas industry based on use in Canada since at least as early as 1996. The Opponent opposed this application.



[3] For the reasons that follow, I refuse the application.

FILE HISTORY

[4] On April 9, 2013, the Applicant filed an application to register the trade-mark IN-SITU & Design (the Mark) based on use of the Mark in Canada since at least as early as 1996 in association with the following services (as amended):

flange facing maintenance services; portable milling and modifications services for pumps, compressors, electric motors, gas engines, gear boxes, turbines; cracked weld removal, key way and small slot cutting, onsite in-line valve repair services, onsite shafts repair services, onsite line boring and power honing services, stud removal services, pipe cold cutting, prepping and test plugging services, bolt torquing; all of the above for industrial machinery in the oil and gas industry

[5] The application was advertised for opposition purposes in the *Trade-marks Journal* issue dated September 30, 2015.

[6] On November 27, 2015, the Opponent opposed the application. The Opponent stated that it was the owner of the trade-marks INSITU and INSITU MACHINING and the trade-name INSITU MACHINING INC., which were collectively referred to in the statement of opposition as “the Opponent’s marks”. The grounds of opposition may be summarized as follows:

- (a) The Applicant could not have been satisfied that it was entitled to use or register the trade-mark in Canada because it was aware of the Opponent's marks;
- (b) The Applicant is not the person entitled to the Mark in that the Mark, at the time of filing the application and at all other times, was confusing with the Opponent's marks previously used and made known in Canada in association with on-site machinery services; and
- (c) The Mark does not distinguish nor it is adapted to distinguish the services in association with which it is used from the services of the Opponent because it is confusing with the Opponent's marks.

[7] The Applicant filed and served a counter statement.

[8] The Opponent filed the affidavit of Mark Easter as its evidence. Mr. Easter was not cross-examined. The Applicant did not file evidence. Neither party filed a written argument and no hearing was conducted.

#### MATERIAL DATES AND ONUS

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

- sections 38(2)(a)/30 - the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475];
- sections 38(2)(c)/16(1) - the Applicant's date of first use [see section 16(1) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act)]; and
- sections 38(2)(d)/2 - the date of filing of the opposition [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 at 324 (FC)].

[10] Before considering the grounds of opposition, it is necessary to review some of the requirements with regard to (i) the evidential burden on an opponent to support the allegations in the statement of opposition and (ii) the legal onus on an applicant to prove its case.

[11] With respect to (i) above, there is an evidential burden on an opponent to support the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298. The presence of an evidential burden on an opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist. With respect to (ii) above, the legal onus is on an applicant to show that the application does not contravene the provisions of the Act as alleged by an opponent (for those allegations for which the opponent has met its evidential burden). The presence of a legal onus on the applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against an applicant.

## GROUND OF OPPOSITION

### **Section 30(i) Ground of Opposition**

[12] 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 [*Sapodilla Co Ltd. v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. As the application includes the required statement and there is no evidence of bad faith or other exceptional circumstances underlying the allegations in this pleading, the section 30(i) ground is dismissed.

### **Section 16(1)(c) Ground of Opposition**

[13] This ground of opposition alleges that the Applicant is not the person entitled to registration of the Mark in that the Mark, at the Applicant's date of first use, was confusing with the Opponent's trade-name previously used and made known in Canada in association with on-site machining services.

[14] In his affidavit at paragraph 9, Mr. Easter states that the Opponent also uses the trade-names INSITU, INSITU MACHINING and INSITU MACHINING INC. (referred to collectively by Mr. Easter as "the INSITU trade-names") as names under which it carries on business. The only trade-name relied upon by the Opponent under this ground in its statement of

opposition, however, is INSITU MACHINING INC. None of the Opponent's evidence shows use of this trade-name prior to 1996. As the Opponent has therefore not met its burden under the section 16(1)(c) ground of opposition, this ground is accordingly dismissed.

### **Section 16(1)(a) Ground of Opposition**

[15] This ground of opposition alleges that the Applicant is not the person entitled to registration of the Mark pursuant to section 16(1)(a) of the Act in view of confusion with the Opponent's trade-marks INSITU and INSITU MACHINING alleged to have been previously used and made known in Canada by the Opponent since as early as 1982 in association with on site machining services.

[16] In order to meet its burden under section 16(1)(a), the Opponent must show that it had used or made known either of its trade-marks prior to the Applicant's date of first use of its mark (i.e. 1996) and that it had not abandoned either of these marks as of the Applicant's date of advertisement, September 30, 2015 (see section 16(5) of the Act).

[17] Before it can be determined if the Opponent has met its burden under this ground, it is important to understand the corporate history of the Opponent.

#### Corporate History of the Opponent

[18] The Opponent has been operating since at least October, 1977, as a division of Husbands Mechanical & Welding Services Ltd. (Husbands) (Easter, para. 13). Husbands had a working relationship with Shelley Machine & Marine Inc. (Shelley) which provided services similar to the Opponent and Husbands, such as machining, welding and ship repairs. Mr. Easter further states that Shelley and Husbands (including Insitu) frequently cooperated in both the promotion and delivery of their services. (Easter, para. 14).

[19] In 2007 Shelley changed its name to Central Machine & Marine Inc. (Central). In 2008, Central merged with another entity to form what Mr. Easter refers to as Central 2. In 2009, Central 2 merged with Husbands to form another entity which retained the name "Central Machine & Marine Inc." (Central 3). Throughout this corporate re-organization, the Opponent continued to operate as a division of Husbands and, starting in 2012, as a division of Central 3.

On December 12, 2012, the Opponent was incorporated as a separate corporate entity under the name Insitu Machining Inc.

[20] I understand from this evidence that the Opponent operated as a division of Husbands until it was incorporated as a separate corporate entity under the INSITU MACHINING INC. trade-name on December 12, 2012. While Shelley and Husbands may have cooperated in the promotion and delivery of their services, there is no indication that Shelley, a separate legal entity, was ever under license to use the Opponent's marks.

Has the Opponent Met Its Burden Under Section 16(1)(a)?

[21] As noted above, in order to meet its burden under this ground, the Opponent must provide evidence from which I can find that either of its marks were either used or made known in association with its on-site machining services prior to the Applicant's date of first use of its Mark (i.e. 1996).

[22] The Opponent's evidence of use or making known of either of its marks prior to 1996 is limited. While Mr. Easter's testimony is that the Opponent has, throughout its nearly 40 year history, extensively used the Opponent's trade-marks by distributing print advertisements bearing the INSITU and INSITU MACHINING trade-marks, the only examples of advertisements dated prior to 1996 attached to his affidavit include the following:

- a copy of an advertisement that appeared in the publication entitled "World Soling Championship Sarnia 1985" which advertises INSITU MACHINING services (Easter, Exhibit C);
- a copy of an advertisement that appeared in the 1987 edition of "Seaports and the Shipping World 1987" which advertises INSITU MACHINING services (Easter, Exhibit D); and
- copies of advertisements that were circulated by Shelley in 1991 and 1993 which refer to INSITU On Site Machining services (Easter, Exhibits E & F).

[23] Although I can infer from the Canadian addresses and phone numbers which appear on these advertisements that they may have appeared in publications in Canada, Mr. Easter does not provide any circulation figures for these advertisements. I am therefore unable to determine the extent to which these advertisements may have been seen by Canadians. Further, each of these advertisements appear to have been circulated by Shelley and not the Opponent. As noted above, there is no evidence that Shelley was licensed to use the Opponent's marks such that any use of the marks by Shelley would have enured to the benefit of the Opponent pursuant to section 50(1) of the Act.

[24] The only other evidence dated prior to 1996 includes what Mr. Easter refers to as "examples of how the Opponent used the INSITU trade-names". Attached as Exhibit I to his affidavit is a copy of a tender submitted by the Opponent to Ontario Hydro in 1982 in which the Tenderer is identified as "Insitu Machining, Division Husbands Mechanical & Welding Services Ltd." Attached as Exhibit J to his affidavit is a copy of a letter dated March 3, 1993, from the Chairman of Insitu Machining (Division of Husbands & Welding Services Limited) on the letterhead used by the Opponent at the time which displays the words Insitu Machining at that top, under which appears "Div. Husbands Mechanical & Welding Services Limited" and beside which appears the Opponent's address. In view that both of these examples show trade-name and not trade-mark use, they do not assist the Opponent under this ground [see *Smith, Lyons, Torrance, Stevenson & Mayer v Pharmaglobe Laboratories Ltd*, (1996), 75 CPR (3d) 85 (TMOB); *Road Runner Trailer Mfg Ltd v Road Runner Trailer Co Ltd* (1984) 1 CPR (3d) 443 (FCTD)].

[25] In view of the above, I find that the Opponent has failed to meet its burden with respect to section 16(1)(a) of the Act as it has failed to provide evidence from which I can find that it had used either of its trade-marks prior to the Applicant's date of first use. This ground of opposition is therefore rejected.

## SECTION 2 GROUND OF OPPOSITION

[26] Regarding the ground of opposition based on lack of distinctiveness pursuant to section 2 of the Act, the Opponent needs to have shown that either of its trade-marks or trade-name had become known sufficiently in Canada to negate the distinctiveness of the Mark as of the filing

date of the opposition (i.e. November 27, 2015) [*Bojangles' International, LLC v Bojangles Café Ltd* 2006 FC 657 (CanLII)]. The Opponent's evidence need not necessarily show trade-mark use within the scope of section 4(1) of the Act in order to be relied upon in challenging the distinctiveness of the Mark [see *Mutual Investco Inc v Knowledge Is Power Inc* (2001), 14 CPR (4th) 117 at p 123]. It may be based on evidence of knowledge or reputation of the Opponent's trade-marks or trade-name.

[27] As noted above, the Opponent's evidence was not sufficient to show use or making known of either of its trade-marks or its trade-name in Canada prior to 1996. I am, however, satisfied from a fair reading of the remainder of the Opponent's evidence (including, *inter alia*, representative examples of an invoice, quotation and work orders corresponding to on-site machining services performed in association with the INSITU MACHINING trade-mark between 1997 and 2006, copies of other promotional materials for the Opponent's services offered in association with this trade-mark distributed in 2003, an article describing the Opponent's services offered in association with this trade-mark that was published in *Report on Industry Magazine* in February, 2004, and Mr. Easter's statement that the Opponent's sales revenue from the sale of its on-site machining services has exceeded \$1 million per year in each of the years 2012-2015), that the Opponent's INSITU MACHINING trade-mark had become known sufficiently in Canada by the filing date of the opposition to negate the distinctiveness of the Mark.

[28] As I am satisfied that the Opponent has met its burden under this ground, I must now determine whether the Applicant has met its onus of proving on a balance of probabilities no reasonable likelihood of confusion between its Mark and the Opponent's INSITU MACHINING trade-mark.

[29] Trade-marks are confusing when there is a reasonable likelihood of confusion within the meaning of section 6(2) of the Act:

The 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 goods or services associated with those trade-marks are manufactured, sold, leased, hired or



performed by the same person, whether or not the goods or services are of the same general class.

[30] Accordingly, the issue to be considered is not that of confusion between the trade-marks themselves, but confusion of goods from one source as being from another source. In the instant case, the question posed by section 6(2) is whether purchasers of the Applicant's services provided under the Mark, would believe that those services were provided or authorized by the Opponent who provides its services under the INSITU MACHINING trade-mark.

[31] 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 goods, 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 [see, in general, *Mattel, Inc v 3894207 Canada Inc* 2006 SCC 22, (2006), 49 CPR (4th) 321 (SCC) and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 96 CPR (4th) 361 (SCC).]

[32] In the present case, and in the absence of written arguments from either party, I do not consider it necessary to engage in a lengthy confusion analysis. The Mark comprises the first component of the Opponent's trade-mark in its totality. There is therefore a considerable degree of resemblance between the Mark and the Opponent's trade-mark when sounded and in ideas suggested. There is less resemblance between the Mark and the Opponent's trade-mark with respect to their appearance, as the Mark includes a design component, and a hyphen between the words IN and SITU and the Opponent's trade-mark includes the non-distinctive word MACHINING.

[33] Neither parties' marks are inherently strong as both are suggestive of onsite services. In this regard, the word "IN SITU" is an ordinary dictionary term which means "in its original or proper place" (*Canadian Oxford Dictionary*). The Mark is slightly more distinctive than the Opponent's mark, however, because of its design component.

[34] With respect to the extent known and length of time in use, the Opponent's evidence allows me to conclude that its trade-mark has become known to some extent in Canada whereas the Applicant has not filed any evidence of use of its mark. I therefore find that these factors favour the Opponent.

[35] With respect to the nature of the services, Mr. Easter states in his affidavit at paragraph 6 that the Opponent's on-site machining services include: flange facing maintenance services; tube sheet resurfacing; pipe cutting, including cold cutting of pipes; weld preparation; portable milling services for pumps, compressors, gas engines, electric motors, turbines and gearboxes; on-site line boring services; on-site shaft machining and repair services; deep hole drilling; honing services and stud removal. I note that many of these services are identical to the applied for services. Further, although the Applicant's services are restricted to industrial machinery in the oil and gas industry, the Opponent's services are not so restricted. In this regard, the About Us page from the Opponent's website attached as Exhibit A to Mr. Easter's affidavit states that the Opponent has been performing "on site machining for the Power, Petro-Chemical, Marine *and other industries* for thirty years" (emphasis added). I therefore find, in the absence of evidence to the contrary, that the parties' channels of trade could overlap.

[36] Considering all of the surrounding circumstances as discussed above, I find that the Applicant has not satisfied its onus of establishing on a balance of probabilities that there is no reasonable likelihood of confusion as between the Mark and the Opponent's INSITU MACHINING trade-mark. Accordingly, this ground of opposition is successful.

#### DISPOSITION

[37] In view of the reasons set out 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.

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

**TRADE-MARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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**HEARING DATE** No Hearing Held

**AGENTS OF RECORD**

Moffat & Co.

FOR THE OPPONENT

Borden Ladner Gervais

FOR THE APPLICANT