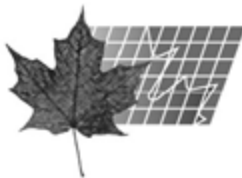


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LE REGISTRAIRE DES MARQUES DE COMMERCE

THE REGISTRAR OF TRADE-MARKS

Citation: 2018 TMOB 155

Date of Decision: 2018-11-30

IN THE MATTER OF AN OPPOSITION

Venngo Inc.

Opponent

and

The Sherwin-Williams Company

Applicant

1,652,680 for PAINTPERKS

Application

Summary

[1] The Sherwin-Williams Company (the Applicant) has applied to register the trade-mark PAINTPERKS in association with the following Services:

Customer loyalty services and customer club services, namely, providing customer benefits through discounts, coupons, loyalty and incentive rewards, customer profile management, advanced notice of discounts and distribution of related print and online material for commercial, promotional and advertising purposes, all the foregoing related to the retail sale of paints, coatings, paint supplies and accessories.

[2] Venngo Inc. has opposed the application for the trade-mark PAINTPERKS primarily on the basis that it is confusing with its PERKS trade-marks which include, for example, ADPERKS, MEMBERPERKS, and PARTNERPERKS in association with goods and services including computer software to facilitate the administration, management and distribution of

discount, savings, incentive, reward, loyalty and value-added programs, design and operation of these programs, and advertising and marketing the goods and services of others through these programs.

[3] In this case, the fact that the trade-marks at issue are highly suggestive of the parties' goods and/or services and are inherently weak impacts the confusion analysis. Where marks are weak, consumers are expected to be more on guard to the differences between them. In view of this and the other circumstances discussed below, I find that there is not a reasonable likelihood of confusion between the Opponent's PERKS trade-marks and the PAINTPERKS trade-mark. Accordingly, this opposition is rejected.

File Record

[4] On November 19, 2013, the Applicant filed an application to register the trade-mark PAINTPERKS (the Mark) on the basis of its proposed use in association with the Services (as amended). The application was advertised for opposition purposes in the *Trade-marks Journal* of May 27, 2015.

[5] On October 27, 2015, Venngo Inc. (the Opponent) filed a statement of opposition pleading the following grounds:

- (a) The Mark is not registrable, pursuant to section 12(1)(d) of the *Trade-marks Act*, RSC 1985, c T-13 (the Act), because it is confusing with the following registrations of the Opponent:

Registration No.	Trade-mark
TMA739,162	ADPERKS
TMA768,980	CLIENTPERKS
TMA769,237	CUSTOMERPERKS
TMA791,745	MEMBERPERKS

TMA747,313 PARTNERPERKS

TMA747,589 WORKPERKS

TMA818,835 MYPERKS

- (b) The Applicant is not the person entitled to registration of the Mark, pursuant to section 16(3)(a) of the Act, because at the date of filing, the Mark was confusing with the Opponent's previously used PERKS trade-marks listed above.
- (c) The Mark is not distinctive, pursuant to section 2 of the Act, since it does not distinguish and is not capable of becoming distinctive.
- (d) Contrary to section 30(i) of the Act any use by the Applicant of the Mark will damage and depreciate the goodwill of the Opponent's family of PERKS trade-marks.

[6] The Applicant filed and served a counter statement in which it denies the Opponent's allegations. The Opponent did not file any evidence. The Applicant filed as its evidence the affidavit of Dane Penney. The Applicant alone filed a written argument. A hearing was not held.

Material Dates and Onus

[7] 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)(b)/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 at 422 (FCA)];
- sections 38(2)(c)/16(3) - the filing date of the application [section 16(3)]; and

- sections 38(2)(d)/2 - the date of filing of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc* (2004), 34 CPR (4th) 317 at 324 (FC)].

[8] Before considering the grounds of opposition, it is necessary to review some of the technical 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.

[9] With respect to (i) above, there is an evidential burden on an opponent to prove the facts in its allegations pleaded in the statement of opposition: *John Labatt Limited v Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298. 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 an opponent has met its evidential burden). A legal onus on an applicant means that if a determinate conclusion cannot be reached once all the evidence is in, then the issue must be decided against it.

GROUND OF OPPOSITION WHICH CAN BE SUMMARILY REJECTED

Section 30(i) Ground of Opposition

[10] The Opponent has pleaded that the application for the Mark does not comply with section 30(i) of the Act because its use damages the Opponent's goodwill in its PERKS trade-marks.

[11] Neither the Registrar, nor the Federal Court has ruled on whether a section 30(i) ground of opposition based on a violation of section 22 is a valid ground of opposition [*Parmalat Canada Inc v Sysco Corp*, 2008 FC 1104 at paras 38-42]. Even if I considered it to be a valid ground of opposition, the Opponent has failed to adduce any evidence supporting a likelihood of depreciation of goodwill which would support a violation of section 22 [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée* 2006 SCC 23 at paras. 46, 63-68 for the necessary elements]. Mere knowledge of the existence of the Opponent's trade-marks does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Mark [*Woot, Inc v WootRestaurants Inc Les Restaurants Woot Inc*, 2012 TMOB 197].

Sections 16(3)(a) and 2 Grounds of Opposition

[12] The section 16(3)(a) and 2 grounds are rejected because the Opponent has not met its initial evidential burden. The Opponent has not evidenced that any of its PERKS trade-marks were used or made known in Canada as of the applicable material dates. Although the Opponent's registrations for its trade-marks refer to use, that is not sufficient for the Opponent to meet its burden for these grounds of opposition [*Roxxs, Inc v Edit-SRL* (2002), 23 CPR (4th) 265 (TMOB) at 268].

REMAINING GROUND OF OPPOSITION: SECTION 12(1)(D) GROUND OF OPPOSITION

[13] I have exercised my discretion and checked the Register to confirm that the Opponent's registration Nos. TMA739,162 for ADPERKS, TMA768,980 for CLIENTPERKS, TMA769,237 for CUSTOMERPERKS, TMA791,745 for MEMBERPERKS, TMA747,313 for PARTNERPERKS, TM747,589 for WORKPERKS and TMA818,835 for MYPERKS are extant [*Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. While there are differences in the exact statements of goods and services, essentially each of these registrations is for use in association with the Opponent's Goods and Services set out below:

Computer software, namely internet software for portal applications, networking, business to business (B2B) communications, business to consumer (B2C) communications, marketing, product and service distribution to facilitate the administration, management and distribution of discount, savings, incentive, reward, loyalty and value-added programs for others namely employee groups, customer/clients groups, affiliate groups and associations; Computer software, namely internet software for portal applications, networking, business to business (B2B) communications, business to consumer (B2C) communications, marketing, product and service distribution to promote the goods and services of others through the administration of discount savings, incentive, reward, loyalty and value-added programs.

Design, creation, hosting, maintenance, operation, administration and management of discount, savings, and value-added programs that serve as loyalty programs for others; Advertising, promotion and marketing of the goods and services of others through the administration and management of discount, savings, and value-added programs online and through printed publications.

When are trade-marks confusing?

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

[15] Thus, the issue is not confusion between the trade-marks themselves, but confusion of goods and services from one source as being from another source. In the instant case, the question posed by section 6(2) is whether casual consumers of the Services, advertised or sold in association with the trade-mark PAINTPERKS, would believe that those services were offered or authorized or licensed by the Opponent.

[16] The test for confusion is one of first impression and imperfect recollection. Factors to be considered, in making an assessment as to whether two marks are confusing, are “all the surrounding circumstances” including those specifically mentioned in section 6(5) of the *Act*: the inherent distinctiveness of the marks and the extent to which they have become known; the length of time each has been in use; the nature of the goods, services or business; the nature of the trade; the degree of resemblance in appearance or sound of the marks or in the ideas suggested by them. These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [*Mattel, Inc v 3894207 Canada Inc*, [2006] 1 SCR 772 (SCC) at para 54]. 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.

Inherent Distinctiveness of the Trade-marks

[17] The Applicant filed the affidavit of Mr. Penney, a Trademark Search Specialist employed by its agent. Mr. Penney’s evidence includes dictionary definitions for the word perk such as “becoming more cheerful”, “percolate (coffee)”, and “perquisite” or “money, goods, or other benefit to which one is entitled as an employee or a shareholder of a company” and “an

advantage or benefit following from a job or situation” (Exhibits D-F which include definitions from Google (printed January 9, 2016), the *Canadian Oxford Dictionary* (2001), *Merriam-Webster Dictionary* (9th New Collegiate Ed, 1984)). Mr. Penney’s evidence also includes information regarding three loyalty programs he signed up for at retail stores in Toronto, Ontario during the course of his investigations: Perks by Papyrus, PetPerks Rewards by Pet Smart, and SUN PERKS by Sunglass Hut (Exhibits I1-I3). Mr. Penney’s evidence also includes several websites including the word “perk” to describe a benefit that one is entitled to or may receive as part of a loyalty or reward program (Exhibits C1-C21) including the following examples:

What are Perks Rewards Points?

PharmaChoice Perks are points you collect that you can redeem for store credit. You’ll receive Perks for almost everything you buy in the store – and they add up fast! ...

(Exhibit C2)

POINTS. PERKS. EXCLUSIVES.

Reward Zone is Best Buy’s loyalty program. Unlike other loyalty programs that just reward you with points, Reward Zone gives you a variety of benefits.

(Exhibit C-4)

Pick Your Perk! New Reward Program Launched for 12-month LeisureCard Customers

...

Being a 12-month LeisureCard holder now has its perks! The City of Saskatoon Leisure Centres recently launched the new *Pick Your Perk* reward program for long-term LeisureCard customers. ...

(Exhibit C-7)

BMO Launches New Rewards Program That Provides BMO MasterCard Customers with a Personalized Shopping Experience

BMO Perks: Customers receive personalized offers for cashback or bonus AIR MILES Reward Miles...

(Exhibit C-11)

While excerpts of third party websites are generally considered hearsay and cannot be relied upon as evidence of the truth of their contents, *i.e.*, that these entities offered the specific services discussed on their websites, I am satisfied that some weight may be placed on this evidence as several Canadian websites were located and Mr. Penney was not cross-examined. Specifically, I

find that Mr. Penney's evidence of the existence of these websites which include "perks" being used descriptively supports the finding that the word perk is suggestive of the parties' services.

[18] Based on Mr. Penney's evidence of use of the words perk and perks, I find that the Mark and the Opponent's PERKS trade-marks are weak trade-marks as all are highly suggestive of loyalty and reward programs with the prefix component of each trade-mark providing further information about the associated services. The fact that the Mark and each of the Opponent's PERKS trade-marks are coined words is insufficient to notably increase the inherent distinctiveness of these marks given that they are very suggestive.

Extent Known and Length of Time in Use

[19] This factor favours neither party as there is no evidence relating to the use of the Opponent's PERKS trade-marks or the Mark in Canada. I do not give any weight to Mr. Penney's evidence of a webpage printout from what appears to be the website of the Applicant showing a PAINTPERKS icon (Exhibit J) as there is no explanation as to why it was necessary for Mr. Penney to provide this evidence.

Nature of the Goods, Services or Business and Trade

[20] The nature of the goods and services of the parties overlaps insofar as the Services and the Opponent's Goods and Services all involve loyalty and reward programs.

Degree of Resemblance

[21] In considering the degree of resemblance, the Supreme Court of Canada in *Masterpiece*, *supra* sets out that resemblance is defined as the quality of being either like or similar (para 62) and that the approach to assessing resemblance should involve a consideration of whether there is an aspect of a trade-mark that is particularly striking or unique (para 64). In this case, there is nothing striking or unique about the Mark or the Opponent's PERKS trade-marks given that the services of each party relate to loyalty and reward programs. Further, the prefix components of the parties' trade-marks are not particularly striking or unique given that they appear to suggest the specific nature of the associated rewards programs.

[22] That being said, the parties' trade-marks resemble each other to some extent in appearance and as sounded since they both share the suffix component PERKS. With respect to idea suggested, while the parties' trade-marks all suggest that the associated services involve a loyalty or reward program, albeit in different fields as none of the Opponent's trade-marks suggest paints, there can be no monopoly in the idea of a rewards program [*American Assn of Retired Persons v Canadian Assn of Retired Persons/Assoc Canadienne des Individus Retraites* (1998), 84 CPR (3d) 198 at para 34 (FCTD)].

Surrounding Circumstance: State of the Register

[23] Mr. Penney attaches to his affidavit the particulars of Canadian trade-mark applications or registrations containing PERK or PERKS in the Nice Class that includes loyalty-type services (para 2, Exhibit A).

[24] Evidence concerning the state of the Register is relevant only to the extent that inferences may be drawn concerning the state of the marketplace [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); *Del Monte Corporation v Welch Foods Inc* (1992), 44 CPR (3d) 205 (FC)]. Furthermore, inferences concerning the state of the market may be drawn from this evidence only if a large number of relevant registrations are located [*Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA)]. Relevant trade-marks include those that (i) are registered or are allowed and based on use; (ii) are for similar goods and services as the marks at issue; and (iii) are those that include the component at issue in a material way [*Sobeys West Inc v Schwan's IP, LLC*, 2015 TMOB 197]. Mr. Penney's search located the following relevant registrations (Exhibit A):

Trade-mark Registration No.	Owner	Goods and Services
PRACTICE PERKS TMA613,115	CMEMD.COM INC.	Direct marketing program by mail or website for providing offers to healthcare professionals.
SWHEAT PERKS TMA941,566	Farmers Union Industries, LLC	Arranging and conducting customer loyalty reward programs to promote the sale of pet products and animal litter

Trade-mark Registration No.	Owner	Goods and Services
TELUS MOBILITY PERKS TMA641,090	TELUS Corporation	Telecommunications services, namely a reward program for the promotion and sale of wireless telecommunications wares and services.
TELUS PERKS TMA640,236	TELUS Corporation	

Such a limited number of registrations would not be sufficient to infer from the state of the register that PERKS is common in the marketplace and as such consumers would be more easily able to distinguish trade-marks including this component [*McDowell v Laverana GmbH & Co KG*, 2017 FC 327 at paras 41-46]. As such, I do not find this to be a relevant surrounding circumstance.

Surrounding Circumstance: Family of Trade-marks

[25] In its statement of opposition, the Opponent relies on its family of trade-marks. In order to rely on a family of trade-marks, an opponent must prove use of each mark of the alleged family [*McDonald's Corp v Alberto-Culver Co* (1995), 61 CPR (3d) 382 (TMOB)]. As the Opponent has not filed any evidence, this is not a circumstance which favours the Opponent.

Surrounding Circumstance: Jurisprudence Concerning Weak Trade-marks

[26] The jurisprudence on weak trade-marks supports the Applicant's position. It is well accepted that comparatively small differences will suffice to distinguish between weak marks [*Boston Pizza International Inc v Boston Chicken Inc* (2001), 15 CPR (4th) 345 (FCTD) at para 66]. In *Provigo Distribution Inc v Max Mara Fashion Group SRL* (2005), 46 CPR (4th) 112 at para 31 (FCTD), de Montigny J. explains:

The two marks being inherently weak, it is fair to say that even small differences will be sufficient to distinguish among them. Were it otherwise, first user of words in common use would be unfairly allowed to monopolize these words. A further justification given by courts in coming to this conclusion is that the public is expected to be more on its guard when such weak trade names are used ...

A party adopting a weak trade-mark has been held to accept some risk of confusion [*General Motors v Bellows* (1949), 10 CPR 101 at 115-116 (SCC)]. While it is possible for the degree of distinctiveness attributed to a weak trade-mark to be enhanced through extensive use [*Sarah Coventry Inc v Abrahamian* (1984), 1 CPR (3d) 238 at para 6 (FCTD)], there is no evidence that this is the case here.

Conclusion

[27] Considering the factors in section 6(5), and taking into account that the Opponent's PERKS trade-marks are weak marks and there is no evidence that any of them are in use, I conclude that the balance of probabilities between finding that there is no reasonable likelihood of confusion between the Mark and any of the Opponent's registered trade-marks, and finding that there is a reasonable likelihood of confusion, falls in favour of the Applicant. Accordingly, the section 12(1)(d) ground of opposition is rejected.

DISPOSITION

[28] In view of all of the foregoing, pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(8) of the Act.

Natalie de Paulsen
Member
Trade-marks Opposition Board
Canadian Intellectual Property Office

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

Hearing Date: No Hearing Held

Agents of Record

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