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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2019 TMOB 79

Date of Decision: 2019-07-31

IN THE MATTER OF OPPOSITIONS

Caplan Industries Inc.

Opponent

And

Stanley Black & Decker, Inc.

Applicant

Applications

**1,637,288 for TASKMASTER
1,637,289 for TASKCODE
1,637,290 for TASKCONNECT
1,637,291 for TASKPLUS
1,637,292 for TASK PRO**

INTRODUCTION

[1] Stanley Black & Decker, Inc. (the Applicant) has applied for registration of the trademarks TASKMASTER, TASKCODE, TASKCONNECT, TASKPLUS and TASK PRO. The applications for these trademarks are based on the Applicant's use of each of these trademarks in Canada in association with the following Goods:

- (a) TASKMASTER: an electronic hand-held scanner for diagnosing a condition of an automobile engine and not for evaluating a condition of an automobile tire

- (b) TASKCODE: an electronic hand-held scanner for diagnosing an automotive condition
- (c) TASKCONNECT: an electronic hand-held scanner for diagnosing an automotive condition
- (d) TASKPLUS: an electronic hand-held scanner for diagnosing an automotive condition
- (e) TASK PRO: an electronic hand-held scanner for diagnosing an automotive condition

[2] Caplan Industries Inc. (the Opponent) alleges that the trademarks TASKCODE, TASKMASTER, TASKCONNECT, TASK PRO, and TASKPLUS (collectively, the Applicant's Marks or the Marks) are confusing with its TASK word and design trademarks. The Opponent also alleges that the Applicant is not the person entitled to register the Applicant's Marks and that these trademarks are not distinctive of the Applicant. The Opponent also raises additional challenges to the applications including that the Applicant did not use each of its Marks since the dates of use claimed and that the Applicant could not have been satisfied that it was entitled to use the Marks in Canada.

[3] For the following reasons, I refuse each application.

BACKGROUND

[4] On July 30, 2013, the Applicant filed applications for the Marks. The applications for TASKCODE, TASKCONNECT, TASKPLUS, and TASK PRO were advertised in the *Trademarks Journal* of May 21, 2014 and opposed on October 21, 2014 pursuant to section 38 of the *Trademarks Act*, RSC 1985, c T-13 (Act). The application for TASKMASTER was advertised on June 11, 2014 and opposed on November 12, 2014.


[5] It is important to note that the Act was amended on June 17, 2019. All references are to the Act as amended, with the exception of references to the grounds of opposition which refer to the Act before it was amended (see section 70 of the Act which provides that section 38(2) of the

Act as it read prior to June 17, 2019 applies to applications advertised before this date). Furthermore, on the same date, the *Trade-marks Regulations* (SOR/96195) were repealed and replaced by the *Trademarks Regulations* SOR/2018-227.

[6] The grounds of opposition are summarized below:

- (a) The applications do not comply with section 30(a) of the Act since the Goods are vague and ambiguous and not described in ordinary commercial terms.
- (b) The applications do not comply with section 30(b) of the Act since the Applicant did not by itself or through a licensee, or by itself and through a licensee, use of each of the Marks with the Goods since the dates of first use claimed.
- (c) The applications do not comply with section 30(i) of the Act since the Applicant could not be satisfied that it was entitled to use the Marks in Canada with the Goods as the Applicant was aware of the existence of the Opponent’s trademarks and their prior and continuous use in Canada.
- (d) The Marks are not registrable pursuant to section 12(1)(d) of the Act as they are confusing with the Opponent’s Marks set out below:

Reg. No.	Trademark	Opponent’s Goods
TMA278,164	TASK	(1) Ratchets, socket sets, wood boring bits, sandpaper, and abrasive cutting wheels. (2) Hand tools, namely hand saws, carpenters pencils, levels, squares, scratch brushes, sanding blocks, punches, chisels, snips, wire brushes, pliers, utility knives, bow saws, drywall saws, nail sets, squares, layout tools, sanding sponges, wrenches, screw extractors, files, rasps, hex keys, chalk lines, hack saws, key hole saws, hammers, tape measures, screw drivers and nut drivers. (3) Accessories and parts for hand tools, namely saw blades and metal drilling bits.

		(4) Accessories for power tools, namely sanding belts, grinding wheels, sanding discs, drill bits, hole saws, counter sinks, saw blades, sanding wheels, router bits, drill chucks, drill keys, jigsaw blades, depressed center wheels, reciprocating saw blades, dowel drills, tapered plug cutters, chuck keys, wood screw pilots, bit holders, nut setters, wire wheels and dado heads. (5) Drywall tape, chalk and safety goggles.
TMA358,452	TASK Design 	Hand tools.

- (e) Pursuant to section 16(1) of the Act, the Applicant is not the person entitled to register the Marks since the Marks were confusing with the Opponent’s trademarks TASK and TASK Design previously used or made known in Canada in association with the Opponent’s Goods.
- (f) The Marks are not distinctive within the meaning of section 2 of the Act since they do not actually distinguish and are not capable of distinguishing the Goods from the Opponent’s Goods in Canada offered in association with the Opponent’s trademarks TASK and TASK Design.

[7] The Opponent filed as its evidence the affidavits of Christopher Waldner and Dulce Campos (the First Campos affidavit). The Applicant filed as its evidence the affidavits of Greg Lewis, Gladys Tibbo Witt, and Lucas Orsborn. Mr. Lewis and Mr. Orsborn were cross-examined and the transcripts of examination filed. The Applicant filed as its reply evidence a second affidavit of Dulce Campos (the second Campos affidavit). The Applicant and Opponent filed a written argument and the Opponent alone attended a hearing.

ONUS AND MATERIAL DATES

[8] 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 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 [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD) at 298].

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

- 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)];
- section 16(1) – the date of first use claimed in the application [section 16(1) of the Act]; 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)].

GROUNDINGS OF OPPOSITION

Preliminary Issue: Objection to Reply Evidence

[10] The Opponent filed as its reply evidence the affidavit of Dulce Campos, a trademark researcher and assistant employed by the Opponent's agent. Ms. Campos' evidence includes dictionary definitions and online searches of the Applicant's line of business Mac Tools.

[11] The Applicant objects to the reply evidence of Ms. Campos on the basis that it is not proper reply. Section 54 of the *Trademarks Regulations* SOR/2018-227 permits the filing of reply evidence (see also section 43 of the *Trademarks Regulations* SOR/96-195 which states that reply evidence must be strictly confined to matters in reply). The Applicant submits that the reply affidavit of Ms. Campos is improper since it includes evidence which could have been included in the Opponent's evidence in chief and does not respond to any issue raised in the Applicant's evidence or any unanticipated matter (Applicant's written argument, paras 88-102).

[12] Justice Pelletier in *Halford v Seed Hawk Inc* (2003), 24 CPR (4th) 220 (FCTD) [*Seed Hawk*] at paras 14-15 provides the following guidelines as to what constitutes proper reply evidence:

- (a) Evidence which is simply confirmatory of evidence already before the court is not to be allowed.
- (b) Evidence which is directed to a matter raised for the first time in cross examination and which ought to have been part of the plaintiff's case in chief is not to be allowed. Any other new matter relevant to a matter in issue, and not simply for the purpose of contradicting a defence witness, may be allowed.
- (c) Evidence which is simply a rebuttal of evidence led as part of the defence case and which could have been led in chief is not to be admitted.
- (d) Evidence which is excluded because it should have been led as part of the plaintiffs' case in chief will be examined to determine if it should be admitted.

[13] I find the evidence of Ms. Campos with respect to the searches of the Applicant's business Mac Tools website and Instagram page to be proper reply evidence as it responds directly to an issue raised in the affidavit and cross-examination of Mr. Lewis and Mr. Orsborn namely, that the Applicant does not have a colour scheme (see, for example, Mr. Orsborn's answer to question 186). If my finding in this regard is incorrect, I would still exercise my discretion to admit the evidence, following the fourth *Seed Hawk* factor, on the grounds that it would be contrary to administrative efficiency to require an opponent to submit complete evidence of an applicant's use at first instance. With respect to the dictionary definitions, while I do not find this evidence to be proper reply evidence, I will admit it as the Registrar may take judicial notice of dictionary definitions [*Tradall SA v Devil's Martini Inc*, 2011 TMOB 65 at para 29].

Section 12(1)(d) Ground of Opposition

[14] With respect to a section 12(1)(d) ground of opposition, an opponent's initial evidential burden is met if a registration relied upon in the statement of opposition is in good standing as of

the date of the decision. In this case, I have exercised the Registrar's discretion to confirm that the two registrations set out in the statement of opposition are in good standing [*Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)].

[15] Since the Opponent has discharged its evidentiary burden regarding this ground of opposition, I must assess whether the Applicant has discharged its legal onus to prove, on a balance of probabilities, that there is no reasonable likelihood of confusion between each of the Applicant's Marks and the TASK (TMA278,164) and TASK & Design (TMA358,452) trademarks.

[16] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

[17] In applying the test for confusion, the Registrar must have regard to all of the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trademarks 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 trademarks in appearance or sound or in the ideas suggested by them.

[18] These enumerated factors need not be attributed equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 [*Mattel*], and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 96 CPR (4th) 361 (SCC) [*Masterpiece*]].

Inherent Distinctiveness

[19] The Opponent's trademarks TASK and TASK Design have a limited degree of inherent distinctiveness as they consist of the ordinary dictionary word task and a fanciful depiction of the word task. I agree with the Applicant that the Opponent's Marks are "suggestive that the associated goods are for use completing 'a piece of work imposed or undertaken by a person' or

for completing ‘a thing that has to be done, esp. one involving labour or difficulty’” (Applicant’s written arguments, para 143). The word task is at least somewhat suggestive of the parties’ goods in question as hand tools and automotive scanners, are likely to be associated with the completion of tasks [for a similar conclusion regarding the inherent distinctiveness of the word task, see *Caplan Industries Inc v 9158-1298 Quebec Inc*, 2016 TMOB 147 at paras 47-48].

[20] While the Applicant submits that each of its Marks consist of invented words with no readily apparent significance or meaning, coined words consisting of the juxtaposition of ordinary words will often continue to suggest the meanings of their constituent parts [*Mr P’s Mastertune Ignition Services Ltd v Tune Masters Inc* (1984), 82 CPR (2d) 128 at paras 43-44 (FCTD); *Shell Canada Ltd v PT Sari Incofood Corp*, 2008 FCA 279 at paras 29-31; *Agropur Cooperative v Parmalat SpA*, 2011 TMOB 30 at para 30]. With respect to each of the Applicant’s Marks, I find that the suffixes plus and pro are laudatory in nature, and therefore do little to increase the inherent distinctiveness of the Applicant’s trademarks TASK PRO and TASKPLUS. Similarly, the word connect is descriptive of the functionality of the corresponding goods and does little to increase the distinctiveness of the Applicant’s TASKCONNECT mark. With respect to the trademark TASKMASTER, I agree with the Opponent that the suffix master is laudatory in nature, and is used to denote a high level of craftsmanship [*Mastertune, supra* at para 40]. While taskmaster is a defined English word meaning one that assigns burdensome and onerous tasks to others, in the context of the parties’ goods, I agree with the Opponent that consumers will see the master component as laudatory. Accordingly, I find that the trademarks TASK PRO, TASKPLUS, TASKMASTER and TASKCONNECT have a limited degree of inherent distinctiveness.

[21] With respect to the trademark TASKCODE, the descriptive nature of the word code is less obvious and requires a greater mental leap than TASKCONNECT to be descriptive of functionality; I find that this trademark has a relatively greater degree of inherent distinctiveness.

Extent to which the Marks have become Known

[22] A trademark can acquire distinctiveness due to its use or promotion in Canada.

[23] Based on the following evidence of Christopher Waldner, director of product management and marketing for the Opponent, I conclude that the Opponent's Marks have acquired significant distinctiveness in Canada:

- (a) The Opponent has been using its TASK and TASK Design trademarks since at least 1983 in association with hand and operated power tools (para 6) and includes in its evidence invoices for sales of these goods from 2003-2014 (Exhibits 5-65).
- (b) The Opponent's TASK Design trademark appears on items including the following: ratchets, socket sets, wood boring bits, sand paper, saws, levels, carpenter pencils, squares, scratch brushes, sanding blocks, drywall saws, nail sets, sanding belts, wire wheels, safety goggles, bolt cutters, hammers, hex keys, utility knives and tool belts (Exhibit 5-65) which range in cost from \$0.39-\$395 (para 8). Photographs of representative TASK brand tools are set out below.

Exhibit 8
Sandpaper



Exhibit 9
Saw



Exhibit 26
Wrenches



- (c) Mr. Waldner states that the TASK sales had grown to \$10 million by 1998, and \$17 million by 2004 (para 9). However, as there is no basis on which I could infer that these are sales in Canada, this statement does not assist the Opponent in showing that its trademark has acquired distinctiveness.
- (d) The Opponent has 3,000 retail customers across Canada, including Federated Co-op, Wal-Mart Canada, Princess Auto, Canadian Tire, Chalifour Distribution, Amazon.com and Amazon.ca, TSC, Peavey, Lowes, and Home Depot (paras 72-73). Sales to these retailers in each of the years 2011-2014 exceeded over \$3.6 million. While Mr. Waldner could have been more explicit in identifying these sales as taking place in Canada, I infer that these are Canadian sales by virtue of his reference to “retail customers across Canada” in these paragraphs. Further, I note that the Opponent could have cross-examined Mr. Waldner had it wished to do so.

[24] The Applicant’s evidence of use of its Marks is set out in the affidavit of Lucas Orsborn, global product manager for diagnostics of the Mac Tools business of the Applicant, and Mr. Lewis, the owner of a Mac Tools distributor in Ottawa. The Applicant’s evidence shows that the Applicant’s Marks have become known to some extent:

- (a) The Applicant’s Mac Tools products are available exclusively from Mac Tools distributors and franchisees through the Mac Tools truck and are sold directly to professional automotive body shops, professional automotive training centres and professional garages and are not intended to be sold by other retailers (Orsborn affidavit, paras 3-8). Mr. Lewis confirms, for example, that he has sold TASKCONNECT scanners to a professional automechanic and garage, the service department of a local Nissan dealership and a TASKCODE scanner to a ready-mix concrete provider (Lewis affidavit paras 9, 11).
- (b) The Applicant’s Marks appear directly on the scanners themselves which work with a vehicle’s on-board diagnostics system which are in vehicles sold in North America since 1996 (Orsborn affidavit, para 9). The user manuals states that “The Scan Tool should be operated by qualified personnel only” (Orsborn affidavit, para 10, Exhibits A, B, C, D, E).
- (c) Approximate sales figures for items bearing the Marks are:

Product	Price	2014 Sales	2015 Sales
TASKMASTER	\$1125 to \$1470	\$5,425	\$4,130
TASKCODE	\$90	\$11,965.00	\$13,660
TASKPLUS	\$200	\$19,582	\$21,742
TASKCONNECT	\$485.99	\$22,470	\$12,690
TASK PRO	\$575	\$342	N/A

Length of Time in Use

[25] In *Pink Panther Beauty Corp v United Artists Corp*, [1998] 3 FC 534 (FCA), the Federal Court of Appeal confirms that the length of time a trademark has been in use is a factor which must be given weight in assessing confusion:

The length of time that a mark has been used is obviously a factor which will contribute to confusion on behalf of the consumer in determining the origin of wares or services. A mark that has been in use a long time, versus one newly arrived on the scene, is presumed to have made a certain impression which must be given some weight. It is important to remember that "use" is a term defined by the Act and, therefore, has a special meaning.

[26] This factor favours the Opponent, who had adopted its TASK and TASK Design marks by at least 1983 (Waldner affidavit, para 6) and provides price lists from 1988 and 1989 (Exhibits 71 and 72) and invoices of sales from 2003 onwards. This is in contrast to the Applicant, who has evidenced use only since 2011 for its TASKCODE, TASKCONNECT, TASK PRO, and TASKPLUS marks (Orsborn affidavit, exhibits F-J), and since 2008 for its TASKMASTER mark (Lewis affidavit, Exhibit B).

Nature of the Goods

[27] When considering the nature of the goods, I must compare the Applicant's statement of goods with the statement of goods in the Opponent's registrations [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); and *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

[28] The Applicant's goods are automotive scanners, whereas the Opponent's goods are hand tools. There is some overlap between the Goods of the Applicant and the Opponent's goods as the evidence indicates that the same type of goods as the Opponent sells are also used by mechanics albeit in a "professional grade" (Qs 128-136 of the Lewis cross-examination). Further, I must consider the entire scope of the rights granted under the registration and potential use by the Opponent must be considered as well as actual use. The Federal Court explains in *Suzuki Motor Corp v Hayabusa Fightwear Inc* (2014), 122 CPR (4th) 1 (FCTD) at para 46:

When dealing with a registered trade-mark, one must consider the entire scope of rights granted under the registration and its potential use must be considered as well as its actual

use: *Masterpiece, supra*. The comparison will be much narrower when comparing an offending mark with an unregistered trade-mark, and will be restricted to the actual use of that mark.

Nature of Trade

[29] The relevant statements of goods must be read with a view to determining the probable type of business or trade intended by the parties, and evidence of the parties' actual trades is useful, particularly where there is an ambiguity as to the goods or services covered in the application or registration at issue [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA); *Procter & Gamble Inc v Hunter Packaging Ltd* (1999), 2 CPR (4th) 266 (TMOB); *American Optical Corp v Alcon Pharmaceuticals Ltd* (2000), 5 CPR (4th) 110 (TMOB)].

[30] The Opponent's website states that it "provides quality products ... and the industry's best warranty support to hardware and building supply retailers across North America" (Waldner affidavit, Exhibits 70A and 70B). The Opponent has a base of 3,000 retail customers across Canada, including Federated Co-op, Wal-Mart Canada, Princess Auto, Canadian Tire, Chalifour Distribution, Amazon.com and Amazon.ca, TSC, Peavey, Lowes, and Home Depot. Several of these retailers – such as Canadian Tire and Peavey – sell automotive products (Waldner affidavit, para 72) including items such as garage jacks, fibreglass resin, and fuel pumps (First Campos affidavit, Exhibits 4-9).

[31] By contrast, Mac Tools is operated by independent franchisees and authorized distributors, and the applied-for goods are available exclusively from Mac Tools trucks and are sold directly to professional automotive body shops, professional automotive training centres and professional garages. Further, the Franchise Agreements prohibit the sales to consumers outside of an assigned route, from selling Mac Tools online, or from selling to any individual reasonably expected to use the goods primarily for personal, family, household or other consumer purposes (Lewis examination, answer to question 70). I do not consider the evidence that the Applicant's goods may be available in limited quantities on *amazon.ca* or *.com* or *ebay.com* to be significant as there is no evidence that Canadian consumers are aware of this or have purchased the Applicant's goods in this manner, nor does the Applicant supply these entities (Orsborn examination, Answers to Qs 18, 89-96, 425-427).

[32] I find that the parties' channels of trade are different and they target different consumers (professional mechanics and the like vs retail consumers).

Degree of Resemblance

[33] It is well established that when considering the degree of resemblance between trademarks, the trademarks must be considered in their totality and it is not correct to lay them side by side and carefully compare and observe the similarities or differences among their elements. It is also not correct to dissect the marks.

[34] Noting that the first portion of each of the Applicant's Marks is "TASK", I further find the following with respect to the degree of resemblance between each of the Applicant's Marks and the Opponent's trademarks TASK and Task Design.

- (a) TASKPLUS – The TASKPLUS trademark resembles the Opponent's trademarks to a significant extent in appearance and sound. With respect to the idea suggested, I do not find that PLUS introduces a significant difference as this word is laudatory and both marks suggest a product which accomplishes a task. It may also be that a consumer would find that TASKPLUS suggests a higher or more advanced product from the Opponent.
- (b) TASK PRO – The TASK PRO trademark resembles the Opponent's trademarks to a significant extent in appearance and sound. With respect to the idea suggested, I do not find that PRO introduces a significant difference as this word is laudatory and both marks suggest a product which accomplishes a task. It may also be that a consumer would find that TASK PRO suggests a professional grade or more advanced product from the Opponent.
- (c) TASKMASTER – The TASKMASTER trademark resembles the Opponent's trademarks to a significant extent in appearance and sound. With respect to the idea suggested, I do not find that MASTER introduces a significant difference, as this word is laudatory and both of the marks suggest a product which accomplishes a task.

- (d) TASKCONNECT – The TASKCONNECT trademark resembles the Opponent’s trademarks to a significant extent in appearance and sound. With respect to the idea suggested, I find that CONNECT results in a slightly different idea than the Opponent’s marks – a tool which accomplishes a task using its ability to connect.
- (e) TASKCODE – The TASKCODE trademark resembles the Opponent’s trademarks to a significant extent in appearance and sound. Further, with respect to the idea suggested, I find that CODE results in a slightly different idea than the Opponent’s TASK marks – a tool which accomplishes a task using computer programming or coded instructions.

Surrounding Circumstance: State of the Marketplace

[35] The Applicant submitted the affidavit of Gladys Tibbo Witt, a trademark agent and legal administrative assistant employed by the Applicant’s agent. Ms. Tibbo Witt’s searches showed use of the mark “TASK FORCE TOOLS” in Canada in association with a variety of tools on *www.amazon.com*, *www.amazon.ca*, and *www.ebay.ca* (Exhibits A-C), as well as over 500 entries of business or corporate names consisting of or comprised of the term “task”. I do not consider the evidence from *www.amazon.com*, *www.amazon.ca* or *www.ebay.ca* to be strong evidence regarding the use of third-party TASK trademarks in the Canadian marketplace. There is no evidence that any of these goods have been sold in Canada, purchased by Canadians or are otherwise known to Canadians [see *Sally Beauty International, Inc v ADA International Beauty Inc*, 2015 TMOB 38 at para 25 for a similar conclusion]. I do not find the corporate search to assist the Applicant as it does not allow one to infer that a number of the entities identified therein were operating in a similar field as to the parties or had acquired any reputation amongst Canadian consumers. As such, I do not find this to be a relevant surrounding circumstance.

Surrounding Circumstance: Applicant’s Sale of Hand Tools

[36] The Opponent’s evidence establishes that the Applicant sells hand tools of a type covered by the Opponent’s registrations under the MAC TOOLS trademark including for example, ratchets, sockets, and wrenches (First Campos affidavit, Exhibit 12). I consider the fact that both

parties sell similar goods (albeit one professional grade and one consumer grade) to be a surrounding circumstance which favours the Opponent as it provides a nexus between the Goods and the Opponent's registered goods.

Surrounding Circumstance: Expensive Goods

[37] The fact that the Applicant's goods are higher priced than the Opponent's goods would not necessarily reduce the likelihood of confusion when consumers first encounter the Mark(s). Justice Sénégal of the Superior Court of Québec in *De Grandpré Joli-Coeur c De Grandpré Chait* (2011), 94 CPR (4th) 129 (CSQ) explains the Supreme Court of Canada's discussion on this point in *Masterpiece* as follows at para 97-98 (emphasis added):

[translation]

In *Masterpiece*, the Supreme Court stated that it is an error to believe that, since consumers of expensive goods and services generally take considerable time to inform themselves about the source of those goods and services, there is a reduced likelihood of confusion. Confusion must instead be assessed from the perspective of the first impression of the consumer approaching a costly purchase when he or she encounters the trademark. It is not relevant that consumers are unlikely to make choices based on first impressions or that they will generally take considerable time to inform themselves about the source of expensive goods and services. Careful research which may later remedy confusion does not mean that no confusion ever existed or that it will not continue to exist in the minds of consumers who did not carry out that research.

In the view of the Supreme Court, consideration must be limited to how a consumer with an imperfect recollection of a business's mark would have reacted upon seeing the other company's mark. The question of cost is unlikely to lead to a different conclusion in cases where a strong resemblance suggests a likelihood of confusion and the other factors set out in subsection 6(5) of the Act do not point strongly against a likelihood of confusion.

Accordingly, I do not consider this to be a relevant surrounding circumstance.

Surrounding Circumstance – Use of Colours Black and Red

[38] As a surrounding circumstance, the Opponent seeks to rely on the Opponent's long standing use of a black and red colour scheme with its registered goods as shown in its photographs of its goods (including the representative ones in para 24 of this decision) and the Applicant's use of this colour scheme. While I acknowledge Mr. Orsborn states that Mac Tools

does not imply a set colour code (Q186), the evidence is that red and black is employed with the TASKMASTER and TASKCONNECT scanners and advertising for the Applicant’s scanners (Orsborn affidavit, page 6; Second Campos affidavit, Exhibit 12 showing pictures from the Applicant’s Mac Tools Instagram page). I am not reducing the weight to be given to this evidence on the basis of it being hearsay since it was necessary for the Opponent to file them and they are reliable since the Applicant, being a party, has the opportunity to refute the evidence [*Reliant Web Hostings Inc v Tensing Holding BV* 2012 CarswellNat 836 (TMOB) at para 35; *Blistex Inc v Smiths Medical ASD, Inc* 2012 TMOB 184].



[39] In *Pink Panther Beauty*, *supra* the Federal Court of Appeal states that “get-up” may form a surrounding circumstance. Further, in *Joseph E Seagram & Sons Ltd v Canada (Registrar of Trade Marks)* (1990), 33 CPR (3d) 454 (FCTD) at para 38, the Federal Court directs that trademarks are to be compared as they are used in business.

[40] I therefore find that this factor favours the Opponent to a slight degree as this factor has generally been accorded limited significance [*Dollarama LP v Dollar Tree Stores Canada Inc*, 2013 TMOB 25 at para 42; *Bedessee Imports Ltd v Compania Topo Chico, SA de CV*, 2014 TMOB 200 at para 33], due in part to the fact that “get-up” has historically not been considered relevant to section 12(1)(d) [*Canadian Tire Corp v Automobile Distribution Inc* (2006), 51 CPR (4th) 452 at para 28] and because such get-up can be changed at any time [*Wolverine Outdoors*

Inc v Marker Völkl (International) GmbH, 2012 TMOB 75 at paras 78-79; *Avon Products Inc v Farleyco Marketing Inc*, 2010 TMOB 186 at paras 53-54].

Surrounding Circumstance – No Evidence of Actual Confusion

[41] The Applicant submits that the fact that its Marks and the Opponent's Marks have coexisted in the Canadian marketplace since as early as April 2011 without any instance of known confusion supports the position that confusion is unlikely.

[42] While the Opponent is not under an obligation to file evidence of actual confusion, the failure to file such evidence in the face of an extensive period of coexistence may result in a negative inference being drawn [see *Mattel, supra*]. However, I am not satisfied that the Opponent's failure to file evidence of actual confusion favours the Applicant given that the sales of the Applicant's products have been relatively limited. I also draw an analogy to *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA), where the Federal Court found that the defendant's marks MR. SUBS'N PIZZA and MR. 29 MIN. SUBS'N PIZZA were confusing with the mark MR. SUBMARINE although there was no evidence of actual confusion despite ten years of concurrent use in the same area. In the present case, the evidence shows a shorter period of coexistence than that in *Mr. Submarine*.

Conclusion

[43] The test to be applied is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees each of the Applicant's Marks in association with the Goods at a time when he or she has no more than an imperfect recollection of the Opponent's trademarks TASK and TASK Design used in association with hand tools, and does not pause to give the matter any detailed consideration or scrutiny [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20]. Section 6(2) of the Act states that there is a likelihood of confusion if the use of both trademarks in the same area would likely lead to the inference that the goods associated with those trademarks are manufactured, sold or leased by the same person. Confusion will also be found if consumers believe that the Applicant's goods are somehow approved, licensed or sponsored by the Opponent [*Big Apple Ltd v BAB Holdings Inc* (2000), 8 CPR (4th) 252 (TMOB) at 259].

[44] In assessing confusion, I have considered each of the Marks separately. As my reasons for deciding that this ground of opposition succeeds in each case are the same, the reasons that follow below apply to each application. Having considered all of the surrounding circumstances, I arrive at the conclusion that the probabilities of confusion of each Mark with each of the Opponent's trademarks TASK and TASK Design are evenly balanced.

[45] In this case, the Opponent has used its TASK trademarks for a lengthy period of time and it has acquired reputation in these trademarks. There is also a significant degree of resemblance between the parties' trademarks given that the Applicant has incorporated the whole of the Opponent's trademark into each of its Marks. Further, there is overlap in the nature of the Goods as compared to the Opponent's registered goods. While the difference in channels of trade favour the Applicant as the current channels of the parties and target audiences are different, this is not sufficient to tip the balance of probabilities in the Applicant's favour when considering the first impression of consumers given the circumstances which favour the Opponent.

[46] I acknowledge that it is difficult for a trader to monopolize a weak word such as TASK and a party adopting a weak trademark has been held to accept some risk of confusion [*General Motors Corp v Bellows* (1949), 10 CPR 101 (SCC) at 115-116]. While the Opponent's trademarks are not the sort of marks that are typically afforded a broad scope of protection, a narrow scope of protection is not the same as having no protection at all.

Section 16(1)(a) Ground of Opposition

[47] The Opponent has pleaded that the Applicant is not the person entitled to registration of each of the Marks as it is confusingly similar with the Opponent's trademarks TASK and TASK Design. In order to meet its initial evidential burden with respect to the section 16(1)(a) ground of opposition, the Opponent must show that it used or made known these trademarks prior to the use date claimed and had not abandoned its trademarks as of the advertisement of each of the Applicant's Marks (see section 16(5) of the Act).

The Opponent Meets its Evidential Burden

[48] The Opponent has the initial evidential burden to prove that it has used or made known its trademarks TASK and TASK Design in Canada before the date of first use claimed in each application and that it has not abandoned its trademarks at the date of advertisement of each application [see sections 16(3) and (5) of the Act]. From the Opponent's evidence described in paragraph 24, I conclude that the Opponent has met its initial evidential burden. Therefore I have to determine if, at the material date, each of the Applicant's Marks was likely to cause confusion with the Opponent's trademarks TASK and TASK Design.

The Applicant Has Not Met Its Evidential Burden

[49] An assessment of the circumstances at the earlier material date does not tip the balance of probabilities in the Applicant's favour. Even if I had found that evidence of state of the marketplace and lack of actual confusion meant that confusion was unlikely, this would not have assisted the Applicant as such evidence postdates the material date under this ground of opposition [*Servicemaster Co v 385229 Ontario Ltd*, 2015 FCA 114 at paras 21-22]. Further, as of the Applicant's claimed date of first use in each application, the evidence of use of the Applicant's Marks is even more limited than with respect to the section 12(1)(d) ground of opposition, whereas the evidence of use and advertising of the Opponent's Marks remains significant. Consequently, this ground of opposition succeeds with respect to each application.

Distinctiveness

[50] In order to meet its initial evidential burden with respect to its distinctiveness ground of opposition, the Opponent must evidence that its trademarks TASK or TASK Design had become sufficiently known as of November 12, 2014 for application No.1,637,288 (TASKMASTER) and October 21, 2014 for the remaining applications to negate the distinctiveness of each of the Applicant's Marks [*Motel 6, Inc v No. 6 Motel Ltd* (1981), 56 CPR (2d) 44 (FCTD); *Bojangles' International LLC v Bojangles Café Ltd*, 2006 FC 657]. If this burden is met, then the Applicant has a legal onus to show, on a balance of probabilities, that each of its Marks was not likely to create confusion with either of the Opponent's Marks [*Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)].

[51] Mr. Waldner's evidence, summarized above in paragraph 24, satisfies the Opponent's evidential burden. The differences in the relevant dates with respect to the section 12(1)(d) ground and the distinctiveness ground do not favour the Applicant to a sufficient extent to tip the balance of probabilities in its favour. As such, this ground of opposition succeeds with respect to each application.

Section 30(a) Ground of Opposition

[52] In its statement of opposition, the Opponent alleges that each application does not comply with section 30(a) of the Act since the statement of goods is insufficiently specific as the function of the goods is not clear and automotive condition is not in sufficient detail.

[53] The Trademarks Office's *Goods and Services Manual* includes a representative list of acceptable goods and services [see *Johnson & Johnson v Integra Lifesciences Corp* (2011), 98 CPR (4th) 429 (TMOB) at para 29 which confirms that the Registrar may exercise her to discretion to check it]. The Trademarks Office's *Examination Manual* at 2.4.5 explains:

For goods or services not found in the *Goods and Services Manual* the acceptable listings in the *Goods and Services Manual* can be used to indicate by analogy the kind of statements that would also be acceptable to describe similar goods or services. A statement of goods or services is acceptable if it [is] as specific, or more specific than, a related or similar listing.

[54] As the *Goods and Services Manual* includes the analogous "machine tools for the automotive industry", I find that the Opponent fails to meet its evidential burden. Accordingly, this ground of opposition is rejected with respect to each application.

Section 30(b) Ground of Opposition

[55] The Opponent alleges that each application does not comply with section 30(b) of the Act on the basis that each of the Applicant's Marks was not being used as of the date claimed in the application and that there is insufficient evidence to substantiate a license between the Applicant and its alleged licensees and distributors as required by section 50 of the Act. The dates of first use in the application are April 2009 (TASK PRO), April 2011 (TASKCONNECT, TASKCODE, TASKPLUS) and November 2011 (TASKPLUS, TASKMASTER).

[56] The evidential burden on an opponent respecting the issue of an applicant's non-compliance with this section of the Act is a light one and can be met by reference not only to its evidence, but also to the applicant's evidence [*Labatt Brewing Co v Molson Breweries, A Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 230; *Bacardi & Co v Corporativo de Marcas GJB, SA de CV*, 2014 FC 323 at paras 33-38 [*Corporativo de Marcas*]]. To meet its burden, an opponent must show that an applicant's evidence is clearly inconsistent with the claimed date of first use or raises doubt as to the veracity of the claimed date of first use [*Ivy Lea Shirt Co v Muskoka Fine Watercraft & Supply Co* (1999), 2 CPR (4th) 562 (TMOB) at 565-6, aff'd (2001), 11 CPR (4th) 489 (FCTD); *Corporativo de Marcas, supra*; *Reitmans (Canada) Ltd/Reitmans (Canada) Ltée v Atlantic Engraving Ltd/Gravure Atlantic Ltée*, 2005 CarswellNat 2884 (TMOB)]. If an opponent meets its evidential burden, an applicant must prove that it has used the trademark as of the date claimed.

[57] When considered in its entirety, I do not find that the Applicant's evidence to be inconsistent with or cast doubt on the Applicant's compliance with section 30(b) for the following reasons:

- (a) The records of sale of TASKCODE (Orsborn affidavit, Exhibit G), TASKPLUS (Orsborn affidavit, Exhibit H), TASKCONNECT (Orsborn affidavit, Exhibit I), TASK PRO (Orsborn affidavit, Exhibit J) and TASKMASTER (Lewis affidavit, Exhibit B) are all consistent with the first use dates claimed.
- (b) With respect to the allegation that the Applicant has not used its Marks since the date claimed due to issues with licensing, I do not find that the Opponent meets its evidential burden. Consistent with *Empresa Cubana Del Tabaco Trading v Shapiro Cohen*, 2011 FC 102, the Applicant's evidence is that it exercises control over the character and quality of the goods sold in association with the Marks, by way of the clear statement to that effect in the Orsborn affidavit, wherein Mr. Orsborn confirms that the Applicant's MAC TOOLS business sells its goods to Canadian franchisees and distributors (para 5). As the Applicant is

the party selling the goods to its franchisees and distributors, it controls the quality of the goods.

As such, this ground of opposition is rejected.

Section 30(i) Ground of Opposition

[58] Where an applicant has provided the statement required by section 30(i) in its application, a ground of opposition based upon this section 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]. The Applicant has provided the necessary statement and the Opponent has not filed any evidence to demonstrate that this is an exceptional case. Furthermore, I note that it has been held that mere knowledge of the existence of an opponent's trademark does not in and of itself support an allegation that an applicant could not have been satisfied of its entitlement to use a mark at the time that it filed its application [*Woot, Inc v WootRestaruants Inc Les Restaurants Woot Inc* 2012 TMOB 197]. Accordingly, this ground of opposition is rejected.

DISPOSITION

[59] Pursuant to the authority delegated to me under section 63(3) of the Act, I refuse each of the applications pursuant to section 38(12) of the Act.

Natalie de Paulsen
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

**TRADEMARKS OPPOSITION BOARD
CANADIAN INTELLECTUAL PROPERTY OFFICE
APPEARANCES AND AGENTS OF RECORD**

HEARING DATE 2019-03-05

APPEARANCES

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