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LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 38

Date of Decision: 2021-02-26

IN THE MATTER OF AN OPPOSITION

MasterCraft Boat Company, LLC

Opponent

and

XO Boats Oy

Applicant

1,606,733 for XO Design

Application

INTRODUCTION

[1] MasterCraft Boat Company, LLC (the Opponent) opposes registration of the trademark XO Design, shown below (the Mark), the subject of application No. 1,606,733 (the Application), that was filed by XO Boats Oy (the Applicant).



[2] Filed on December 14, 2012, the application is based on the dual basis of proposed use of the Mark in Canada, as well as use in Finland, registered in or for EUIPO (EU) on November 15, 2011, under No. 009793605, in association with the following goods and services:

Goods

- (1) Boats; yachts; clothing, namely, athletic clothing for boating and seafaring, casual clothing for boating and seafaring, children's clothing for boating and seafaring, sports clothing for boating and seafaring; footwear, namely, athletic footwear for boating and seafaring, casual footwear for boating and seafaring, children's footwear for boating and seafaring, exercise footwear for boating and seafaring, infant footwear for boating and seafaring, outdoor winter footwear for boating and seafaring, sports footwear for boating and seafaring, rain footwear for boating and seafaring; headgear, namely, sports headgear for boating and seafaring.

Services

- (1) Education, namely, education in the field of boating and seafaring; providing of training, namely, providing of training in the field of boating and seafaring; entertainment services, namely providing facilities for recreational activities in the nature of boating and seafaring; sporting and cultural activities, namely, boating and seafaring, entertainment in the field of boating and seafaring.

[3] The Application was advertised in the *Trademarks Journal* of April 15, 2015.

[4] The Opponent alleges that (i) the Application does not comply with the provisions of section 30(d) of the *Trademarks Act*, RSC 1985, c T-13 (the Act); (ii) the Mark is not registrable under section 12(1)(d) of the Act; (iii) the Applicant is not the person entitled to the registration of the Mark under section 16 of the Act, and (iv) the Mark is not distinctive under section 2 of the Act. The last three grounds of opposition revolve around the likelihood of confusion between the Mark and the Opponent's registered marks TMA909,659 (X20), TMA909,658 (X23) and TMA951,191 (X26), all registered in association with "boats", as well as the likelihood of confusion between the Mark and the Opponent's trademarks, namely, X2, X10, X25, X30, and X35, all previously used by the Opponent in association with "boats and related goods".

[5] As a preliminary matter, I note that the Act was amended on June 17, 2019. All references in this decision are to the Act as amended, with the exception of references to the grounds of opposition which refer to the Act as it read 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 prior to that date).

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

THE RECORD

[7] The Opponent filed its statement of opposition on September 15, 2015. The Applicant filed and served its counter statement on November 25, 2015 denying all of the grounds of opposition.

[8] In support of its opposition, the Opponent filed the affidavit of Jennifer Leah Stecyk, sworn March 23, 2016, together with Exhibits A and B, as well as the affidavit of Terry D. McNew, sworn March 18, 2016, together with Exhibits A to D. Ms. Stecyk's affidavit is introduced in order to file certified copies of Canadian trademark registration Nos. TMA909,659 and TMA909,658, for the trademarks X20 and X23 respectively.

[9] A request was made to cross-examine Mr. McNew on his affidavit. Following this request, the Opponent requested leave under rule 44(1) to file the affidavit of Jay S. Povlin, Vice-President, Global Sales and Marketing of the Opponent, as a substitute for the affidavit of Mr. McNew. Leave was granted and the affidavit of Mr. Povlin, sworn September 23, 2016 together with Exhibits A-D was filed as a substitute for the affidavit of Mr. McNew. Mr. Povlin was cross-examined on his affidavit and a transcript of the cross-examination together with Exhibits A through I and responses to undertakings and matters taken under advisement have been filed. Mr. Povlin's affidavit details the use and promotion of the Opponent's marks in Canada, a more thorough summary of which will be provided within the analysis under the grounds of opposition that revolve around confusion.

[10] In support of its Application, the Applicant filed the affidavit of Josee Aubin, sworn May 3, 2017 together with Exhibits 1 and 2, and the affidavit of Mona Poggione, also sworn May 3, 2017, together with Exhibits A through I.

[11] Ms. Aubin is a Senior Trademark Research Analyst that was retained by the agent for the Applicant to conduct a Canada Trademark Register dilution search for active marks containing:

- a. "x (or) x with a number" in relation to "recreational vehicles, including boats, watercraft, yachts, sailboats, snowmobiles and atv's, in class 12", including official marks; and
- b. A "design of x/x with a number" in relation to the same goods as in (a) above.

She attaches a selection of records obtained from the results of those searches conducted on May 2, 2017, under Exhibits 1 and 2 to her affidavit.

[12] Ms. Poggione is employed as a paralegal and an administrative assistant with the agent for the Applicant. She attaches to her affidavit, printouts of registration or application particulars, all dated November 9, 2016, for various marks containing “X” in relation to watercraft. She further attaches to her affidavit, webpage printouts dated May 3, 2017, from websites of companies in the boating industry wherein an “X” is used in conjunction with the advertising of such products (some of which are related to the marks shown in the attached registration and application particulars). Lastly, she attaches to her affidavit, a definition for the term “X boat” from Wikipedia, and pages from a third-party website regarding “X boats”.

[13] Neither Ms. Aubin nor Ms. Poggione were cross-examined on their affidavits.

[14] The Opponent did not file reply evidence, however, the Applicant requested and was granted leave under section 44(1) of the *Trademark Regulations* to file additional evidence, namely, the affidavit of Daniel Colliander, the CEO of the Applicant, sworn June 19, 2017, together with Exhibits A through J. Mr. Colliander’s affidavit provides information regarding the Applicant, including the nature of its business and products, as well Applicant’s use of the Mark internationally. Further to this, Mr. Colliander makes attestations regarding co-existence of the parties’ marks in foreign markets and third party “X” branded marine products. A more thorough discussion of pertinent details of Mr. Colliander’s evidence will follow where relevant. A request was made to cross-examine Mr. Colliander on his affidavit. The cross-examination was completed on January 4, 2018 and a transcript of the cross-examination together with Exhibits 1 to 8 and responses to undertakings and matters under advisement have been filed.

[15] Further to this, the Opponent requested and was granted leave under section 44(1) of the *Trademark Regulations* to file an amended statement of opposition as well as the affidavit of Janice West, sworn May 30, 2018, together with Exhibit A. The leave request sought was simply to provide for an Opponent’s application referred to in its original statement of opposition, having matured to registration. The amended statement of opposition now includes this mark under the Opponent’s section 12(1)(d) ground of opposition, and a certified copy of the registration filed under Exhibit A to the West affidavit has been made of record.

[16] Both parties filed written representations.

[17] An oral hearing was not conducted.

THE PARTIES' RESPECTIVE BURDEN OR ONUS

[18] The Applicant bears the legal onus of establishing, on a balance of probabilities that the application complies with the requirements of the Act. This means that if a determinate conclusion cannot be reached in favour of the Applicant after a consideration of all of the evidence, then the issue must be decided against the Applicant. However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see *John Labatt Limited v The Molson Companies Limited* (1990), 30 CPR (3d) 293 (FCTD) at 298].

[19] With respect to the grounds of opposition, it is the following material dates that apply:

- Sections 38(2)(a)/30(d) – the filing date of the application, namely, **December 14, 2012** [*Georgia-Pacific Corporation v Scott Paper* (1984), 3 CPR (3d) 469 at 475 (TMOB)];
- Sections 38(2)(b)/12(1)(d) – the date of my decision [see *Park Avenue Furniture Corp v Wickes/Simmons Bedding Ltd* (1981), 37 CPR (3d) 413 (FCA)];
- Sections 38(2)(c)/16(2)(a) and 16(3)(a) – the date of filing of the application, namely, **December 14, 2012**; and
- Sections 38(2)(d)/2 – the date of filing of the statement of opposition, in this case being **September 15, 2015** [see *Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317].

ANALYSIS

Section 30(d) Ground of Opposition

[20] The Opponent has plead that the application does not comply with the requirements of section 30(d) of the Act, as the Applicant had not:

- i. Used the applied for mark in Finland as claimed prior to the filing date of the Application; or
- ii. Used the applied for mark in Finland in association with all of the goods and services listed in the Application as claimed prior to the filing date of the Application.

[21] As with a section 30(b) ground of opposition, an opponent's initial burden under section 30(d) of the Act is light [*Tune Masters v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 at 89 (TMOB)], and can be met by reference not only to the opponent's evidence but also to the applicant's evidence [see *Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) 216 at 230 (FCTD)].

[22] In the present case, the Opponent has not provided any evidence in support of its section 30(d) ground of opposition. Furthermore, the Opponent did not make any submissions regarding this ground of opposition and I see nothing in the Applicant's evidence that calls into question the Applicant's claim of use of the Mark in Finland.

[23] I therefore find that the Opponent has failed to meet its evidential burden and dismiss this ground accordingly.

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

[24] The Opponent has plead that the Applicant is not entitled to registration of the Mark, because at the date of filing of the application, the Mark was confusing with the Opponent's family of trademarks and/or one or more of the following trademarks: X2, X10, X25, X30, X55, which had been previously used in Canada by the Opponent in association with boats and related goods.

[25] Under the grounds of opposition based on sections 16(2)(a) and 16(3)(a) of the Act, the Opponent has an initial burden of establishing that one or more of its trademarks alleged in support of these grounds of opposition was used or made known prior to the date of filing of the application, namely, December 14, 2012, and was not abandoned at the date of advertisement of the application for the Mark (in this case, April 15, 2015) [section 16(5) of the Act].

[26] With respect to use of the Opponent's marks, as previously indicated, the Opponent filed the affidavit of Mr. Povlin.

[27] Mr. Povlin states that the Opponent was founded in 1968, which he claims is one of the largest producers of inboard ski, wakeboard and luxury performance powerboats in the world.

[28] Mr. Povlin attests that in 1999, the Opponent introduced a wakeboarding boat marketed and sold under the trademark X5, and in 2000, the Opponent introduced three more wakeboarding boats marketed and sold under the trademarks X9, X10, and X30. He explains that the Opponent began referring to its series of trademarks as the X-SERIES and has continuously marketed a line of boats with names consisting of the letter X followed by a number ever since. Indeed, Mr. Povlin states that over the years, the Opponent has used the trademarks X1, X2, X5, X7, X9, X10, X14, X14V, X15, X20, X23, X25, X26, X30, X45, X46, X55, and X80 in association with boats sold in Canada.

[29] Mr. Povlin states that since 2000, the Opponent has continuously used multiple trademarks in the X-SERIES trademarks in Canada during each model year by displaying the marks on the boats themselves, as well as in catalogs, pamphlets, owner's manuals, magazines, and the Opponent's website. He attaches as Exhibit B to his affidavit, copies of catalogs and owner's manuals which he states are representative of the manner in which the trademarks have been used since prior to December 14, 2012 by the Opponent in association with boats.

[30] Mr. Povlin then provides revenues for each of the years 2010 to 2015 of sales generated by the Opponent of boats "bearing one of the X-SERIES" trademarks in Canada (paragraph 9). He attests that boats bearing one of the X-SERIES trademarks have been sold to consumers in Canada through Canadian distributors (a list of which he provides at paragraph 11), as well as through the Opponent's website. Further to this, he provides as Exhibit C to his affidavit, a batch of invoices which he states evidence shipments and sales over the past years of the Opponent's boats to customers in Canada, redacted to protect sensitive pricing/discount information and to protect the identity of the Opponent's customers. He states that each one of the invoices documents a sale by the Opponent bearing the MasterCraft trademarks to a customer in Canada or to a distributor in Canada for resale to a customer in Canada. There are 13 invoices, which show sales of the following X-SERIES goods as follows:

- X2 (dated: July 24, 2009; June 23, 2010; June 23, 2011; July 20, 2012; and July 15, 2014);
- X10 (dated: July 26, 2013);
- X14 (dated: June 7, 2012);
- X20 (dated: December 15, 2014);
- X23 (dated: June 9, 2015);
- X25 (dated: July 23, 2011; and November 29, 2012);
- X30 (dated: December 6, 2013); and
- X46 (dated: June 27, 2013).

[31] Lastly, Mr. Povlin states that boats bearing one of the X-SERIES trademarks for several years since well prior to December 14, 2012 have been sold and extensively promoted in Canada at tradeshows and special events. He provides a list of trade shows (dates and locations) which he states that the Opponent's boats, including boats bearing one of the X-SERIES trademarks have recently been promoted or will be promoted, which includes eight locations in Canada, all taking place in 2016.

[32] In addition to tradeshows, Mr. Povlin states that sales in Canada of MasterCraft boats bearing one of the X-SERIES trademarks are, and have for some time been, promoted on the Internet. He attaches as Exhibit D to his affidavit, copies of pages downloaded from the Opponent's website which describe and depict various MasterCraft boats, including boats bearing one of the X-SERIES trademarks, which he states are available for shipment and sale to customers in Canada. He states that since 2012, more than \$15 million USD has been spent promoting sales of boats bearing one of the X-SERIES trademarks worldwide.

[33] The Applicant correctly submits that while Mr. Povlin asserts the Opponent's ownership and use of a number of registered and unregistered trademarks combining the letter X with a numeral (the X-Series trademarks), several of these marks were not specifically pleaded in the

amended statement of opposition. Those marks are as follows: X1, X5, X7, X9, X14, X14V, X15, X45, X46, and X80. In any event, the Applicant further notes that on cross examination, Mr. Povlin explained that of the Opponent's trademarks, only X2, X10, X20, X23, X25, X26, and X46 are currently in use. The Applicant submits that with respect to the remaining "X-SERIES" marks, Mr. Povlin did not disclose when these boat "models" ceased to be available for sale in Canada, and as such, an adverse inference should be drawn (per Povlin cross-examination, questions 53 and 61 and responses to undertakings thereto).

[34] The Applicant further notes that of the boat models which Mr. Povlin indicates are still on sale in Canada, only three such models, the X2, X10, and X25, were available prior to the filing date of the Application, the material date under these grounds of opposition (per response to undertakings for Povlin cross examination, questions 56-57).

[35] I am satisfied that the Opponent has met its initial burden of establishing that one or more of its trademarks alleged in support of these grounds of opposition was used or made known prior to the filing date of the Application and was not abandoned at the date of advertisement of the Application for the Mark. More specifically, I am satisfied, after reviewing Mr. Povlin's evidence, as well as the transcript from his cross examination and responses to undertakings, that the Opponent has so used its X2, X10, and X25 marks. Furthermore, I am concentrating on these three marks because there is no issue about the potential for abandonment as continued use has been demonstrated. In this regard, Mr. Povlin has either provided invoice evidence and/or sales figures to support sales of goods bearing these marks, in combination with: sworn statements pertaining to dates of first use (response to undertakings for Povlin cross examination, questions 56-57), and representative examples of the manner in which the trademarks appeared on the associated goods (per paragraph 7 of the Povlin affidavit and Exhibit B).

[36] As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and any of the trademarks of the Opponent, namely, X2, X10, and/or X25.

[37] Unless indicated otherwise, however, I will focus my analysis on the Opponent's X2 trademark. In my view, this trademark represents the Opponent's strongest case, given that the evidence supports longer and more extensive use of this mark, and that I consider all three marks

equally likely to achieve a similar result when assessing the degree of resemblance between these marks and the Mark. If the Opponent is not successful with this mark, it would not achieve a more favourable result with the X10 or X25 marks.

The test for confusion

[38] The test for confusion is one of first impression and imperfect recollection. Section 6(2) of the Act indicates that the 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.

[39] 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 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 trade-marks in appearance or sound or in the ideas suggested by them. These criteria are not exhaustive and it is not necessary to give each one of them equal weight [see, in general, *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, 1 SCR 772 (SCC) at para 54; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, 49 CPR (4th) 401; and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 (*Masterpiece*)].

Section 6(5)(e) - degree of resemblance in appearance, when sounded, or in idea suggested

[40] In most cases, the dominant factor in determining the issue of confusion is the degree of resemblance between the trademarks in their appearance or sound or in the ideas suggested by them, and other factors play a subservient role in the overall surrounding circumstances [see *Beverley Bedding & Upholstery Co v Regal Bedding & Upholstering Ltd* (1980), 47 CPR (2d) 145, (FCTD), conf. (1982), 60 CPR (2d) 70 (FCA)].

[41] In *Masterpiece*, the Supreme Court of Canada considered the importance of section 6(5)(e) in conducting an analysis of the likelihood of confusion as follows at para 49:

...the degree of resemblance, although the last factor listed in s. 6(5) is the statutory factor that is often likely to have the greatest effect on the confusion analysis ... if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar... As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start.

[42] Bearing this in mind, I have elected to begin my analysis by considering section 6(5)(e).

[43] The Applicant submits that the appearance of the Mark is quite distinct from the Opponent's trademarks. In particular, the Applicant notes that:

- (a) The scope of the Opponent's registered trademarks does not include the stylized elements of the Mark; and
- (b) The Opponent's trademarks as used are quite distinct from the Mark.

[44] As these grounds of opposition deal with confusion between the Mark and the Opponent's unregistered trademarks, only the Applicant's submission at (b) above applies. To explain, when comparing the likelihood of confusion between two trademarks, the approach to be taken will significantly differ depending on whether the comparison is made with a registered or an unregistered mark. 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: *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.

[45] Further to this, the Applicant submits that the only common element between the parties' marks is the element "X", which is a standard letter in the English language and is commonly used in the boating industry. I will discuss the state of the register and marketplace below with respect to the use of X in the boating industry.

[46] As a result of the common element "X", the parties' marks share some degree of resemblance in appearance and when sounded, considering that it is the first portion of the

parties' marks [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d), 183 (FCTD) at 188], which otherwise do not appear to have an alternative, more striking component with which to begin the analysis [see *Masterpiece, supra*].

[47] The Applicant also submits that the parties' marks also suggest substantially different ideas, and where two marks despite any similarity in appearance and sound, suggest different ideas, this can be sufficient to render the marks not confusing [*Jacques Vert Group Ltd v YM Inc (Sales)*, 2014 FC 1242; *Ikea Ltd/Ikea Ltee v Idea Design Ltd* (1987), 13 CPR (3d) 476 (FCTD)]. The Applicant submits that the numerical component of the Opponent's X-SERIES marks are intended to correspond to the length of the Opponent's boats and consumers are likely to perceive it as such (citing Mr. Povlin's answer to question 62 on cross-examination regarding the significance of the number within the Opponent's marks). Upon review of Mr. Povlin's answer to question 62 however, this attribution to the numerical component of the Opponent's marks has not always been true. Further, with respect to the X2 mark, it does not appear to follow that particular naming methodology.

[48] The Applicant submits that, on the other hand, its Mark is meant to evoke and suggest an entirely different idea from that of a model number, that is, that its goods are "Extraordinary" (Applicant's emphasis). However, there is no evidence to support that the average consumer would perceive this to be the suggested idea behind the Mark, and further, Mr. Colliander was unable to answer on cross examination whether any of the marketing materials attached to his affidavit, explain that XO refers to extraordinary (see questions 57 to 59 of the Colliander cross examination transcript). Furthermore, contrary to the Applicant's position, I find it equally likely that consumers would identify the "O" in the Mark, as a number, as opposed to a letter. Thus, I find that any idea expressed by the parties' marks would be similar, in that they are both the letter "X" combined with a numeral.

[49] Overall, I find that there is a resemblance between the parties' marks in appearance and when sounded given the common element "X", as well as any idea suggested in that they are both the letter "X" combined with a numeral. However, I also note that the difference in the stylized font between the Mark and the Opponent's mark as used, greatly reduces the resemblance in appearance. Accordingly, I find this factor only minimally favours the Opponent.

Section 6)(5)(a) – the inherent distinctiveness and the extent to which the marks have become known

[50] The overall consideration of the section 6(5)(a) factor, involves a combination of inherent and acquired distinctiveness of the parties' marks.

[51] The Opponent submits that the Mark and each of the Opponent's MasterCraft X-SERIES trademarks possess a fair degree and about an equal measure of inherent distinctiveness.

[52] The Applicant, on the other hand, submits that its Mark is more inherently distinctive than any of the Opponent's trademarks. In this regard, the Applicant submits that the Opponent's marks are weak marks, as they are simply word marks consisting of an "X" and a numeral, with no additional distinctive indicia or design elements such as that found in the Mark [citing *GSW Ltd v Great West Steel Industries Ltd* (1975) (FCTD)]. Contrary to the Opponent's marks, the Applicant submits that its Mark is a design mark that combines the letters "XO" with a specific and distinctive design. In particular, the Applicant submits that the "X" in the Mark is highly stylized, to the extent that it equally resembles a stylized H, a stylized K, or conjoined arrows. I am of the view however, that the "X" in the Mark, is readily discernable as an "X", and would not be perceived by the average consumer as being an "H" or a "K".

[53] Further to the above, the Applicant submits that the Opponent's marks contain descriptive elements (citing as above, Mr. Povlin's answer to question 62 on cross-examination regarding the significance of the number within the Opponent's marks). However, once again, with respect to the X2 mark, it does not appear to follow that particular naming methodology.

[54] Moreover, the Applicant submits that unlike the Opponent's marks, the Mark is not a model number of the Applicant's goods and does not reflect any inherent feature of the Applicant's goods or services; rather, the Applicant's Mark was selected as a skillful allusion to "Extraordinary". As previously indicated however, there is no evidence to support that the average consumer would perceive this to be the idea suggested by the Mark

[55] In any event, as the Applicant's Mark consists of letters incorporating a specialized design or unique font, it is inherently stronger than the Opponent's X2 mark. However, in *GSW, supra* at para 29, it was held that "A trade mark or design mark consisting only of letters is

characterized as a ‘weak mark’.” Consequently, to the extent that the Applicant’s Mark is inherently stronger than the Opponent’s X2 mark, it is only marginally so, given that both parties’ marks are considered weak marks.

[56] In any event, the strength of a trademark may be increased by means of it becoming known in Canada through promotion or use.

[57] The Opponent submits that the Application is based on proposed use of the Mark in Canada and there is no evidence that it has been used in Canada. Further to this, the Opponent submits that the Colliander affidavit admits that the Applicant had not begun using the Mark in Canada; therefore, the Registrar must conclude that the Applicant’s Mark is unknown in Canada.

[58] Moreover, the Opponent submits that its X-SERIES marks have been used and have become known in Canada since at least as early as 2000 in association with boats. Based on the early date of first use and the revenue volumes, the Opponent submits that it can be concluded that one or more of the Opponent’s X-SERIES marks are well known in Canada.

[59] However, I agree with the Applicant that given that Mr. Povlin has only provided aggregate sales figures for the X-SERIES marks, it is not possible to ascertain the extent to which each X-SERIES mark has been used, including the X2 mark. Furthermore, the sales revenues provided only reflect revenues beginning in 2010, and the earliest evidence of sales of goods associated with the X2 mark dates to 2009. Consequently, while there are more invoices in evidence to support sales of goods bearing the X2 mark, I am unable to conclude that the Opponent’s X2 mark has become well known as of the filing date of the Application, as to have acquired any degree of distinctiveness. Further, even if I were to be able to consider the Opponent’s evidence of advertising and promotion of its marks on its website (Exhibit D website printouts from Povlin affidavit) as relating to the period of time leading up to the filing date of the Application, there is no evidence to support any extent to which Canadians viewed the website. Lastly, any evidence pertaining to promotion of the Opponent’s goods in association with its X-SERIES trademarks at tradeshow in Canada, clearly post-dates the filing date of the Application.

[60] Having regard to the foregoing, I find that this factor only marginally favours the Applicant due to the Mark's minimally greater inherent distinctiveness.

Section 6(5)(b) – the length of time of use

[61] The Applicant has not provided any evidence of use of its trademark in Canada.

[62] However, as detailed above, the Opponent has provided evidence of use of its X2 mark in Canada in association with boats dating back to at least as early as 2009 (per Exhibit C invoices, Povlin affidavit). Consequently, this factor favours the Opponent.

Sections 6(5)(c) and (d) - the nature of the services and business or trade

[63] When considering sections 6(5)(c) and (d) of the Act, it is the statement of goods as defined in the Application versus the goods and services for which the Opponent has shown *actual use* that govern the assessment of the likelihood of confusion under section 16 of the Act.

[64] The Opponent submits that the goods of the parties overlap directly as would the channels of trade and the customers to whom such goods are directed. The Opponent submits that there is no evidence before the Registrar from which it may be concluded that the nature of the trade, the channels of trade, or the customers of the parties are different.

[65] The Applicant submits that while both parties' goods and services include boats, the parties' respective boats are quite distinct in that:

- (a) The parties' boats have different intended uses, suitability, physical characteristics, and clientele;
- (b) The Applicant's boats are significantly more expensive than those of the Opponent; and
- (c) The parties' customers receive assistance from trained salespeople during the purchasing process, further reducing any likelihood of confusion.

[66] The Applicant further submits that the Opponent has not provided any evidence that the same kind of distributor offers both the Opponent's and the Applicant's boats at the same time,

or in the same facility. Thus, the Applicant submits that the differences in the parties' boats are likely to lead to sufficient differences in the probable channels of trade by which these goods are made available.

[67] The evidence shows that the parties' boats are specialized for differing purposes. In this regard, Mr. Colliander attests that the Applicant's boats are typically cabin cruisers designed for fishing, cruising, and commuting for use on the open ocean and in difficult, short, steep and choppy seas or in rough inland waters (per Colliander affidavit, para 6 and answers to questions 239-241 of Colliander cross-examination). On the other hand, the Opponent's boats are wakeboarding boats designed for inland use.

[68] I note however, that despite the specialization of each parties' boats, Mr. Povlin indicates on cross-examination that some of the Opponent's Canadian dealers would also sell other products that span everything from fishing to yachting (including for example, aluminum fishing boats, pontoon boats, and cabin cruisers with enclosed facilities for sleeping and cooking) (see questions 145 to 148 of the Povlin cross examination transcript). Thus, there is potential for the parties' boats to be on display for sale through the same dealers in the same showrooms. In any event, the Application for the Mark is not restricted to only cabin cruisers for use on the open ocean.

[69] In addition, even if the Applicant's boats are "significantly more expensive than the Opponent's", I note that both parties' goods are targeted at wealthy consumers for recreational purposes. Furthermore, I do not consider the high cost of the parties' respective goods to diminish the potential for confusion in this case. Additionally, although assistance is given to purchasers by knowledgeable salespeople *during* the purchasing process at dealerships, any correction for source confusion would not necessarily be immediate upon first seeing the parties' respective products. It has been repeatedly held that the test is one of first impression. In *De Grandpré Joli-Coeur c De Grandpré Chait* (2011), 94 CPR (4th 129), (CS Que), Justice Senécal of the Superior Court of Québec summarizes the Supreme Court of Canada's discussion on this point in *Masterpiece*, *supra* as follows at para 97-98:

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 trade-mark. ...

[70] Having regard to the aforementioned, as well as I consider the remainder of the Applicant's goods and services to be highly related as they too pertain to boating, I find the Applicant's goods and services overlap with the Opponent's goods, as do the parties' respective channels of trade. Thus, these factors favour the Opponent.

Additional Surrounding Circumstances

Manner of Actual Use in the Marketplace of the Opponent's Marks

[71] The Applicant submit that the Opponent's X-SERIES marks as used, prominently display the Opponent's MASTERCRAFT house brand in close proximity, which is a significant surrounding circumstance that reduces any likelihood of confusion in the marketplace [citing *JINX Inc v JINXD Yoga Essentials Inc*, 2016 TMOB 107, 142 CPR (4th) 475 at para 14].

[72] I agree that the manner of actual use of the Opponent's mark reduces the likelihood of confusion. In addition to the Opponent's MASTERCRAFT house brand appearing in close proximity to the mark, the manner of display of the "X" in the Opponent's mark as used on the boats themselves appears stylized in a unique font that is very different from that of the Mark (per depictions of Opponent's goods in Exhibit B, Povlin affidavit).

Co-existence in the Marketplace

[73] An adverse inference concerning the likelihood of confusion may be drawn when concurrent use on the evidence is extensive and no evidence of confusion has been given by the opponent. [*Christian Dior SA v Dion Neckwear Ltd* (2002), 20 CPR (4th) 155 (FCA)].

[74] Additionally, the Applicant submits, that while not determinative, evidence of foreign co-existence can be a relevant consideration when assessing the likelihood of confusion [citing *Becker Milk Co v Interstate Brand Co* (1998), 81 CPR (3d) 270 at 27 (TMOB)].

[75] The Applicant submits that despite the Opponent claiming to have a formal reporting process for instances of actual confusion (per Povlin cross examination, answer to question 191), and that the parties co-exist in several European countries (per Colliander affidavit, Exhibit H printouts of dealer list from Opponent’s website), the Opponent did not provide any examples of actual confusion between the Opponent’s X-SERIES marks and the Applicant’s Mark. Indeed, Mr. Colliander attests that the the Applicant has made inquiries with its dealers in the countries where the parties coexist and can confirm that no instances of actual confusion have been brought to their attention.

[76] While it is unclear when these inquiries were made, and as such, if they can therefore be considered [see *Servicemaster Company v 385229 Ontario Ltd* (Masterclean Service Company), 2014 FC 440], I note the fact that, to date, the parties’ boats are specialized for differing purposes, as well as the manner of actual use of the Opponent’s mark, are mitigating factors which could explain the lack of instances of actual confusion. Furthermore, the nature of the trade (ie – channels of trade) in these jurisdictions may be quite different from Canada, given the respective geographical differences (e.g. – large bodies of fresh water lakes present in Canada).

State of the Register and State of the Marketplace

[77] 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 [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432 (TMOB); and *Welch Foods Inc v Del Monte Corp* (1992), 44 CPR (3d) 205 (FCTD), 36 CPR (3d) 562 (TMOB); and *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA)].

[78] The Applicant submits that in the Aubin and Poggione affidavits, “X” is a common component in a number of registered trademarks and trademark applications that cover boats and related goods and services. In this regard, the Applicant submits that Ms. Aubin identified 44 registrations and pending applications that include “X” or “X” with a number in relation to boats, of which, at least 31 are allowed or registered (particulars of those marks are attached under Exhibits 1 and 2 to the Aubin affidavit). Ms. Poggione’s affidavit includes as Exhibits A, B, C, D, F, and G, printouts of the particulars of six of the trademarks that I note were located during

Ms. Aubin's search. In addition, Ms. Poggione attaches as Exhibits E, H, and I, printouts from various third party websites regarding the use in the marketplace of three of these six marks, as well as a dictionary definition of the term X-boats, with printouts from a third party website demonstrating display of the term X-boats in association with an "X-boat" race.

[79] The Applicant submits that the letter "X" is also commonly used in the boating industry generally and is often used to denote specific models and product lines; as such, consumers are accustomed to distinguishing between numerous "X" trademarks and will look to additional matter or design elements to distinguish between them (per Colliander affidavit, para 34).

[80] The Opponent submits that there is no evidence before the Registrar from which to conclude that trademarks combining the letter "X" with a numeral have been commonly adopted and used in the boating trade, and the evidence before the Registrar is insufficient to conclude that the letter "X" has been commonly adopted as a first discrete element trademarks adopted and used in the boating industry.

[81] In this regard, the Opponent submits, and I agree, that the Aubin affidavit did not reveal any mark standing in the name of an entity other than the Applicant or the Opponent which combined the letter X with a numeral (i.e. – without other letters, numerals, words, or graphic elements). Further to this, of the total references produced by the Aubin search, less than 10 third party marks were disclosed which combined the letter "X" as a discrete element and were applied to boats or watercraft of any type. I am also mindful that much of the evidence provided by the Applicant regarding the state of the register and marketplace, post-dates the material date under this ground of opposition; thus, the number of relevant X-based marks related to watercraft is even further reduced [per *Servicemaster, supra*].

Family of Trademarks

[82] Where there is a family of trademarks, there may be a greater likelihood that the public would consider a trademark that is similar to be another trademark in the family and consequently, assume that the product or service that is associated with that trademark is manufactured or performed by the same person [*Everex Systems Inc v Everdata Computer Inc*, (1992), 44 CPR (3d) 175 at 183 (FCTD)]. There is, however, no presumption of the existence of

a family of marks opposition proceedings. A party seeking to establish a family of marks must establish that it is using more than one or two trademarks within the alleged family [*Techniquip Ltd v Canadian Olympic Assn* (1998), 145 FTR 59 (FCTD), aff'd 250 NR 302 (FCA); *Now Communications Inc v CHUM Ltd* (2003), 32 CPR (4th) 168 (TMOB)]. In addition, a relevant consideration when a family of marks is pleaded is whether the feature common to the Opponent's marks is found in trademarks owned by others [*Techniquip, supra*].

[83] The Applicant notes that in the amended statement of opposition, the Opponent alleged that eight trademarks form a family of marks containing the letter X and a number. Further to this, the Applicant submits, the Povlin affidavit refers to additional trademarks not pleaded in the amended statement of opposition, in an attempt to improperly expand this alleged family of marks, and as such, any evidence associated therewith should be disregarded [citing *Imperial Developments Ltd v Imperial Oil Ltd* (1984), 79 CPR (2) 12 at 21 (FCTD)].

[84] However, any question as to whether the additional trademarks presented in the Povlin affidavit can be considered is moot, as there is no evidence of use of these additional marks prior to the date of filing of the Application.

[85] In the present case, the Applicant submits that the Opponent has not provided sufficient evidence of use of *each* of the marks in the alleged family. In particular, the Opponent has not provided a breakdown of the sales and advertising figures for any one of the marks that make up the alleged family. Accordingly, the Applicant submits, it cannot be determined which of the Opponent's trademarks have been used in association with boats within the meaning of section 4(1) of the Act in Canada, the extent of such use, or that consumers would have come to recognize the alleged family of marks [citing *Beiersdorf AG v Laboratoires BIOCOS, SAS*, 2014 TMOB 199, 135 CPR (4th) 45 at paras 58-60 (TMOB)]. The evidence is equally consistent with the predominant use of a single mark (*e.g.* X2) with occasional and sporadic uses of others. As such, the Applicant submits, the Opponent cannot rely on its alleged family of marks as a surrounding circumstance in determining the likelihood of confusion.

[86] While I have concluded that the Opponent has used its X2, X10, and X25 marks prior to the filing of the Application (and has not discontinued such use prior to that date), as previously indicated, given that Mr. Povlin has only provided aggregate sales figures for the X-SERIES

marks, it is not possible to ascertain the extent to which each X-SERIES mark has been used. Additionally, as also previously indicated, the sales revenues provided only reflect revenues beginning in 2010, thus I am unable to conclude that two or more of the Opponent's marks have been used sufficiently to constitute a family of marks as of the filing date of the Application.

Conclusion

[87] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection.

[88] In the present case, given that the parties' marks are weak marks, that they share only some degree of resemblance, and that the manner of actual use of the Opponent's mark makes confusion unlikely in my view, I am satisfied that the Applicant has discharged its legal onus of establishing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Opponent's X2 mark (as well as the X10 and X25 marks) and the Mark.

[89] Therefore, the grounds of opposition based on section 16 are unsuccessful.

Section 12(1)(d) Ground of Opposition

[90] An opponent's initial onus is met with respect to a section 12(1)(d) ground of opposition if one or more of the registrations relied upon are in good standing. The Registrar has the discretion to check the register in order to confirm the existence of any registrations relied upon by an opponent [see *Quaker Oats of Canada, supra*]. I have exercised the Registrar's discretion to confirm that the Opponent's registrations (TMA909,659, TMA 909,658, and TMA 951,191) are all in good standing as of today's date, which, as previously indicated, is the material date for assessing a section 12(1)(d) ground of opposition [per *Park Avenue Furniture Corp, supra*]. The Opponent has therefore satisfied its evidential burden.

[91] As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and any of the trade-marks of the Opponent, namely, X20, X23, and/or X26.

[92] Unless indicated otherwise, I will focus my analysis on the Opponent's X20 registered trademark, TMA909,659. As per responses to undertakings regarding the Povlin cross examination, questions 56-57, all three marks were introduced into the Canadian marketplace at roughly the same time, namely, 2014 to 2015. Furthermore, I consider all three marks equally likely to achieve a similar result when assessing the degree of resemblance between these marks and the Mark. Lastly, all three registrations are for the "boats", sold and marketed through the same channels. Thus, if the Opponent is not successful with the X20 mark, it would not achieve a more favourable result with the X23 or X26 marks.

[93] The test for confusion has already been enumerated at paras 34 and 35 of this decision, and as such, I will refrain from repetition. The conclusions that I have drawn in the section 16 grounds of opposition are equally applicable here with respect to many of the surrounding circumstances, namely, the inherent distinctiveness of the parties' marks, and other surrounding circumstances such as the state of the register and marketplace, family of marks, and foreign co-existence. As such, I will only discuss the remaining circumstances below as they differ from the section 16 grounds. Once again, however, I will begin my discussion with an analysis under section 6(5)(e).

Section 6(5)(e) – the degree of resemblance between the parties' marks in appearance, sound, or ideas suggested

[94] The Applicant submits that the full scope of rights granted to a registered word mark does not permit the owner to use distinctive graphic elements that are central to the distinctiveness of another party's mark and that are protectable under copyright [citing *Domaines Pinnacle Inc v Constellation Brands Inc*, 2016 FCA 302 at 11]. The Applicant submits that none of the Opponent's registered marks include any design elements. In contrast, the Applicant submits that its Mark is a highly stylized "X" and "O", and as discussed in the *Domaines* case, it is not the task of the Board to consider all potential and unidentified uses of the Opponent's word mark, particularly where the mark is weak. The Applicant submits that the Mark is more than a font; that is, the highly stylized nature of the XO logo creates a distinct artistic work subject to protection under the Copyright Act such that none of the Opponent's trademark registrations would permit the Opponent to use the Applicant's Mark.

[95] In considering in the parties' trademarks in their totality and noting it is not correct to lay them side by side and carefully compare and observe the similarities or differences among their elements, I find as a result of the common element "X", the parties' marks share some degree of resemblance in appearance and when sounded, considering that it is the first portion of the parties' marks [see *Conde Nast Publications Inc v Union des Editions Modernes* (1979), 46 CPR (2d), 183 (FCTD) at 188], which otherwise do not appear to have an alternative, more striking component with which to begin the analysis [see *Masterpiece, supra*].

[96] Given that the scope of rights granted to the Opponent's registered X20 mark, which permits the Opponent to use the mark in any font or style [*Masterpiece, supra*], I find that the stylization of the Applicant's Mark does not greatly diminish the resemblance between the trademarks in appearance. Further to this, the *Domaines* case relied upon by the Applicant is distinguishable from the present circumstances, as there were additional design features in the trademark relied upon aside from the words; that is, the mark was not merely presented in a stylized font.

[97] Furthermore, any idea expressed by the marks would be similar, in that they are both the letter "X" combined with a numeral.

[98] Consequently, I find this factor favours the Opponent.

Section 6(5)(b) – the length of time of use

[99] This factor favours the Opponent. In this regard, the evidence discloses that the Opponent's X20 mark has been used since December 2014 (per Exhibit C invoices, Povlin affidavit), while the Applicant has not provided any evidence of use of its Mark in Canada.

Sections 6(5)(c) and (d) - the nature of the services and business or trade

[100] When considering sections 6(5)(c) and (d) of the Act, it is the statement of goods as defined in the application for the Mark and in the Opponent's registration govern the assessment of the likelihood of confusion under section 12(1)(d) of the Act [see *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)].

[101] Both parties' marks are for use in association with boats (as well as related goods and services under the Opponent's mark), and as such, there is direct overlap in the nature of the goods. Furthermore, given that there is no restriction in the channels of trade, the Applicant's goods could be sold through the same or similar channels to that of the Opponent. Indeed, as previously indicated, some of the Opponent's Canadian dealers sell diverse watercraft that include the types sold by both the Opponent and the Applicant.

[102] Having regard to the aforementioned, I find the parties' goods are the same or overlapping, as would be the respective channels of trade. Thus, these factors favour the Opponent.

Conclusion

[103] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection.

[104] In the present case, despite that the parties' marks are weak marks, given the scope of protection afforded to the Opponent's trademark, the parties' marks share a strong degree of resemblance. The Opponent's registration permits the Opponent to use its mark in a manner that is similar to the Mark in association with the same and/or overlapping goods, through the same and/or overlapping channels of trade. Furthermore, the Applicant has failed to establish that "X" is a common component of marks used in the marketplace. Thus, I am not satisfied that the Applicant has discharged its burden of showing, on a balance of probabilities, that there is no reasonable likelihood of confusion between the Mark and the Opponent's registered X20 mark (as well as the X23 and X26 marks).

[105] Therefore, the ground of opposition based on section 12(1)(d) is successful.

Section 2 Ground of Opposition

[106] The Opponent has plead that the Mark is not distinctive, as the Mark does not distinguish and is not adapted to distinguish the Applicant's services as set out in the Application from the goods and services of others, and in particular, the goods and services of the Opponent sold in association with the Opponent's Mark.

[107] While there is a legal onus on the Applicant to show that the Mark is adapted to distinguish or actually distinguishes its wares from those of others throughout Canada, there is an initial evidential burden on the Opponent to establish the facts relied upon in support of the ground of non-distinctiveness [see *Muffin Houses Incorporated v The Muffin House Bakery Ltd* (1985), 4 CPR (3d) 272 (TMOB)].

[108] Pursuant to its evidential burden, the Opponent is under an obligation to show that, as of the date of filing of the statement of opposition, one or more of its trademarks had become known sufficiently to negate the distinctiveness of the Mark [see *Bojangles' International, LLC v Bojangles Café Ltd*, 48 CPR (4th) 427 (FC)].

[109] While the extent of use of each of the Opponent's individual trademarks cannot be ascertained due to the aggregate sales figures, the evidence as a whole supports use of a number of the Opponent's X-SERIES marks over a lengthy period of time. Indeed, the Opponent's sales figures in Canada of goods bearing X-SERIES marks are significant, totaling more than \$10 million US in 2010, to more than \$25 million US in 2015 (per Povlin affidavit, para 9). Thus, I am satisfied, that the Opponent has discharged its initial evidential burden of to show that, as of September 15, 2015, one or more of its trademarks had become known sufficiently to negate the distinctiveness of the Mark.

[110] As I have found the parties' marks to be confusing under section 12(1)(d), and the difference in material dates is insignificant, the Applicant has failed to show that its Mark is adapted to distinguish or actually distinguishes its goods from those of the Opponent. Further to this, I am mindful of the Opponent's extensive use of X-SERIES marks (both registered and unregistered) over time, has contributed to the Opponent's marks becoming known to a sufficient extent, such that consumers in Canada have been continually exposed to X-formative marks (specifically, X with a number) as being connected to the goods of the Opponent.

[111] Accordingly, the non-distinctiveness ground is also successful.

DISPOSITION

[112] Having regard to the aforementioned, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act.

Kathryn Barnett
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

No hearing was held.

AGENTS OF RECORD

Osler, Hoskin & Harcourt

For the Opponent

Ridout & Maybee LLP

For the Applicant