



LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2021 TMOB 97
Date of Decision: 2021-05-20

IN THE MATTER OF AN OPPOSITION

Whirlpool Canada LP **Opponent**

and

Alliance Laundry Systems LLC **Applicant**

1,543,613 for SPEED QUEEN **Application**

INTRODUCTION

[1] The parties to this opposition proceeding are not strangers to one another. They are two manufacturers of laundry appliances and have been involved in the recent years in a few legal disputes against one another relating to the same trademark SPEED QUEEN (sometimes hereinafter referred to as the Mark) that was once registered in the name of Whirlpool Canada LP (Whirlpool or the Opponent), as will be more fully explained later in this decision.

[2] In this case, Whirlpool opposes registration of the Mark, which is the subject of application No. 1,543,613 (the Application), filed by Alliance Laundry Systems LLC (Alliance or the Applicant) on the basis of proposed use of the Mark in Canada in association with the following goods (the Goods): “Laundry washers and dryers, ironers, finishers and extractors and parts and accessories therefor”.

[3] The Opponent opposes the Application on various grounds, including non-distinctiveness of the Mark and non-entitlement of the Applicant in view of the Opponent's alleged prior use and non-abandonment of its SPEED QUEEN trademark in Canada.

[4] For the reasons that follow below, the Application is refused.

THE RECORD

[5] The Application was filed on September 15, 2011 and advertised for opposition purposes in the *Trademarks Journal* on October 26, 2016.

[6] On November 23, 2016, the Opponent filed a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). This Act was amended on June 17, 2019. All references herein 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 that date).

[7] The grounds of opposition can be summarized as follows:

- (a) The Application does not conform to the requirements of section 30(e) of the Act as the Applicant did not have the requisite intention to use the Mark in Canada when the Application was filed. The Applicant knew that the Opponent owned Canadian trademark registration No. UCA15837 for the trademark SPEED QUEEN which covered laundry washing machines, laundry dryers, ironing machines, and water extraction devices. The Applicant could not have intended to use the identical trademark in Canada with essentially identical goods as to do so would have represented trademark infringement pursuant to sections 19 and 20 of the Act and would have had the effect of depreciating the goodwill attaching to the Opponent's registered trademark contrary to section 22 of the Act.
- (b) The Application does not conform to the requirements of section 30(i) of the Act as the Applicant could not have been satisfied that it was entitled to use the Mark in Canada in association with the Goods when the application was filed. The Applicant

was well aware of the Opponent's existing trademark registration No. UCA15837 for the trademark SPEED QUEEN which covered essentially identical goods as well as the Opponent's use of the same trademark in association with laundry washing machines since at least as early as 1930, and in association with laundry dryers since at least as early as 1982. The Applicant could not have intended to use the identical trademark in Canada with essentially identical goods as to do so would have represented trademark infringement pursuant to sections 19 and 20 of the Act and would have had the effect of depreciating the goodwill attaching to the Opponent's registered trademark contrary to section 22 of the Act.

- (c) The Applicant is not the person entitled to registration of the Mark under section 16(3)(a) of the Act in light of the Opponent's SPEED QUEEN trademark, which had been previously used and made known in Canada by the Opponent since at least as early as 1930. The Opponent had not abandoned its SPEED QUEEN trademark as of the date of advertisement of the Application.
- (d) The Mark is not distinctive pursuant to section 2 of the Act because it does not and is not capable of distinguishing the Applicant's Goods from those of the Opponent in light of the Opponent's prior use of its SPEED QUEEN trademark in Canada since at least as early as 1930.

[8] On December 16, 2016, the Applicant filed and served a counter statement denying each ground of opposition pleaded in the statement of opposition.

[9] In support of its opposition, the Opponent filed a certified copy of the file history of Canadian trademark registration No. UCA15837 for the trademark SPEED QUEEN and an affidavit of the Vice President of Whirlpool Corporation (Whirlpool Corp), Brett Dibkey, sworn April 14, 2017 (the Dibkey affidavit).

[10] In support of its Application, the Applicant filed an affidavit of its Vice President North American Home Laundry Sales, Jay McDonald, sworn March 2, 2018 (the McDonald affidavit).

[11] None of the parties' affiants were cross-examined on their affidavits.

[12] Both parties submitted written representations. Only the Opponent was represented at an oral hearing. In this respect, I note that while the Applicant's agent had both requested a hearing and initially confirmed that they would attend the hearing at the set time, they elected not to participate on the day of the hearing.

ANALYSIS

The parties' respective burden or onus

[13] The Opponent has the initial evidential burden to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist. Once that burden is met, the Applicant bears the legal onus of establishing, on a balance of probabilities, that the particular grounds of opposition should not prevent the registration of the Mark [*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 (FCTD); *Dion Neckwear Ltd v Christian Dior, SA et al*, 2002 FCA 29, 20 CPR (4th) 155].

Preliminary remarks — Previous legal disputes between the parties

[14] As indicated above, the parties to the present proceeding have been involved in recent years in a few legal disputes relating to the same trademark SPEED QUEEN.

[15] The history of the use of the trademark SPEED QUEEN and how it was once registered in the name of Whirlpool in Canada is reflected in both the Opponent's evidence and the Applicant's evidence and was also reviewed and described by Associate Chief Justice Gagné in *Alliance Laundry Systems LLC v Whirlpool Canada LP*, 2019 FC 724 (the *2019 Decision*). Except for the passages emphasized in italics in the quotation below, I find the salient points of that history as summarized by Ms. Justice Gagné are transposable to the present case and are not disputed by the parties:

[6] The SPEED QUEEN mark (used to market laundry washers and dryers) was originally registered in Canada in 1941 by Barlow & Seelig, and assigned to McGraw-Edison Company in 1957.

[7] As a result of several transactions that occurred in 1979, the ownership of the SPEED QUEEN mark was split between unrelated entities in Canada and the United States. The Canadian SPEED QUEEN mark eventually found its way into Whirlpool's

portfolio in 2004, whereas the trademark for the United States and the rest of the world is now the property of Alliance.

[8] *Between 2004 and 2012, Whirlpool has sold its SPEED QUEEN products to two distributors in Canada, Harco Co Ltd [Harco] and Debsel Inc. Since 2013, Whirlpool's sole distributor is Harco.*

[9] In 2011, Alliance initiated a proceeding under section 45 of the Act, forcing Whirlpool to show use of the trade-mark in Canada at any time during the three year period immediately preceding the date of the notice (October 2008 to October 2011). Initially, the Registrar of Trademarks found in favour of allowing Whirlpool to maintain its trade-mark. This decision was upheld by the Federal Court in 2014, but overturned by a majority decision of the Federal Court of Appeal in 2015 (*Alliance Laundry Systems LLC v Whirlpool Canada LP*, 2014 FC 1224, rev'd 2015 FCA 232). In May 2016, the Supreme Court of Canada denied leave to appeal. As a result, the Canadian registration for Whirlpool's SPEED QUEEN mark was expunged in 2016.

[10] *Alliance immediately introduced its SPEED QUEEN products in the Canadian market, by renaming and rebranding its HUEBSCH washers and dryers.*

[11] The parties have each submitted registration applications in Canada for the SPEED QUEEN mark: Whirlpool submitted an application for the word mark and an application for the logo (both filed on September 13, 2016) and Alliance submitted *two* applications for the word mark (one filed in 2011 *and one in 2014*). In November 2016, Whirlpool filed a Statement of Opposition for Alliance's 2011 application.

[16] I will return to the passages emphasized in italics in paragraphs 8 and 10 above in my analysis of the grounds of opposition. As for the 2014 trademark application mentioned in paragraph 11, there is no evidence to that effect in the present case.

[17] The *2019 Decision* dealt with two applications that were consolidated into one. The first one was brought by Whirlpool and asked the Court to assess whether Alliance improperly used the SPEED QUEEN word mark pursuant to section 7 of the Act. The second application was brought by Alliance against Whirlpool and Whirlpool Corp and asked the Court to assess whether Whirlpool and Whirlpool Corp misled the public regarding Alliance's SPEED QUEEN mark pursuant to section 7 of the Act and subsection 52(1) of the *Competition Act*, RSC 1985, c C-34. In its judgment, the Court granted in part Whirlpool's application and dismissed Alliance's application. In so doing, the Court concluded that "[Whirlpool] is the owner of the unregistered SPEED QUEEN trade-mark in Canada". The Court's judgment further included, among other things, the following orders preventing Alliance to use the SPEED QUEEN mark in Canada:

5. Alliance Laundry Systems LLC, its officers, servants, representatives, agents, or any person under its direct or indirect control, are restrained from using the SPEED QUEEN mark, or any trade name, trade style, or corporate name comprising the SPEED QUEEN mark or any confusingly similar trade-mark in Canada;

6. Alliance Laundry Systems LLC, its officers, servants, representatives, agents, or any person under its direct or indirect control, are prohibited from directing public attention to its goods, services and/or business in such a way as to cause or likely to cause confusion in Canada as between the goods, services and/or business of Alliance Laundry Systems LLC and the goods, services and/or business of Whirlpool Canada LP;

7. Alliance Laundry Systems LLC is required to cease using in Canada any and all brochures, sales and promotional literature or other documents, statements and advertisements, in whatever form or medium whatsoever, which include or refer to the SPEED QUEEN mark or any name similar to the mark, including, but not limited to <https://ca.speedqueen.com>;

8. Alliance Laundry Systems LLC is prohibited from directing public attention to its goods, services, and/or business in such a way as to cause or be likely to cause confusion in Canada between its goods, services, and/or business and the goods, services, and/or business of Whirlpool Canada LP;

9. Alliance Laundry Systems LLC is ordered to deliver up to Whirlpool Canada LP, or to destroy under oath, all signage, advertising, and other material, whether in printed, electronic or any other form; including all business cards, advertising, promotional and labelling materials as the case may be, the use of which would violate the rights of Whirlpool Canada LP, which are in the possession, power or control of Alliance Laundry Systems LLC, or which may come into the possession, power or control of Alliance Laundry Systems LLC;

10. Alliance Laundry Systems LLC is ordered to issue a statement to its customers, including distributors and retailers, expressly stating that it is not the owner of the SPEED QUEEN mark in Canada;

[18] While Alliance did file a Notice of Appeal appealing the *2019 Decision*, the proceeding was later discontinued [per Copy of Discontinuance dated 21-Nov-2019 placed on Court File No. A-187-19]. Thus, the *2019 Decision* stands.

[19] In view of the foregoing, the Opponent submitted at the hearing that the Application would seem to have become moot, which position it submits is reinforced by the Applicant's ultimate decision not to attend the hearing. However, in the absence of a formal withdrawal of the Application, I must render a decision. In this regard, while I am mindful that each case rests on its own merits, I will adopt some of the reasoning in the *2019 Decision* where I consider it appropriate to do so.

Section 30 grounds of opposition

[20] As pleaded, both of the section 30 grounds of opposition rely on essentially the same set of facts, namely that at the Application's filing date, the Applicant was well aware of the Opponent's existing trademark registration No. UCA15837 for the trademark SPEED QUEEN which covered essentially identical goods and that the Applicant could not have intended to use or have been satisfied that it was entitled to use the identical trademark in Canada in association with essentially identical goods as to do so would have represented trademark infringement pursuant to sections 19 and 20 of the Act and would have had the effect of depreciating the goodwill attaching to the Opponent's registered trademark contrary to section 22 of the Act.

[21] The material date for considering these grounds of opposition is the filing date of the Application, namely September 15, 2011 [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB)].

[22] I find that both of these grounds of opposition ought to be dismissed for the following reasons.

[23] First, the Application contains both a statement that the Applicant, by itself, or through a licensee, intends to use the Mark in Canada and a statement that the Applicant is satisfied that it is entitled use the Mark in Canada. The Application therefore complies with the formal requirements of both sections 30(e) and 30(i) of the Act.

[24] Second, the Opponent has not filed any evidence to suggest a lack of intention to use the Mark on the part of the Applicant, nor introduced any evidence of bad faith on the part of the Applicant. Rather, the Opponent relies on the Applicant's evidence introduced through the McDonald affidavit, and more particularly on the following statements of Mr. McDonald:

8. Around 2010, Alliance started to monitor the Canadian market to determine whether there were sales by Whirlpool Canada LP and/or Whirlpool Corporation of its own SPEED QUEEN appliances. Based on the apparent lack of such sales, in September 2011, we instructed Canadian lawyers on Alliance's behalf to file an application for registration in Canada of SPEED QUEEN as a trademark (No. 1,543,613) and to initiate a cancellation proceeding for non-use in order to remove from the register the Canadian registration in the name of Whirlpool Canada LP for SPEED QUEEN (No. 15837).

9. The Registrar of Trade-marks decided to maintain such registration for “laundry washing machines” and “laundry dryers” (December 18, 2013) and this decision was confirmed by the Federal Court (dated December 17, 2014). However, on October 28, 2015, the Federal Court of Appeal allowed the appeal filed by Alliance, thus setting aside the judgment of the Federal Court and allowing the appeal from the decision of the Registrar of Trademarks. It was decided that the evidence filed by Whirlpool “does not, even on a generous view of its contents, meet the new threshold of evidence required to show use of the trade-mark at issue in association with the respondent’s goods”. Marked as Exhibit B to my affidavit is a copy of the decision issued by the Federal Court of Appeal.

10. Whirlpool Canada LP filed an application for leave to appeal to the Supreme Court of Canada from the judgment of the Federal Court of Appeal. Said application was refused and Registration No 15837 for the trademark SPEED QUEEN owned by Whirlpool Canada LP was officially expunged by the Registrar of Trade-marks on July 20, 2016.

11. For several years, Alliance declined to distribute SPEED QUEEN branded appliances in Canada because the registration was owned by Whirlpool Canada LLP. However, as the world’s largest designer and manufacturer of commercial laundry equipment and as the owner of the trademark SPEED QUEEN worldwide, Alliance’s intention has always been to extend the sale of SPEED QUEEN appliances to Canada.

12. Following the decision of the Supreme Court of Canada refusing to hear Whirlpool Canada LP’s appeal from the decision of the Federal Court of Appeal expunging the Canadian registration for SPEED QUEEN, Alliance began preparations to enter the Canadian market with SPEED QUEEN products. Among those efforts, Alliance sought to recruit distributors with an established presence in the Canadian market.

[25] The Opponent submits that the McDonald affidavit clearly states that the Applicant was aware of the Opponent’s registration as well as the Opponent’s prior use of the SPEED QUEEN trademark in Canada when the Application was filed. The Opponent submits that its registration was not cancelled until July 20, 2016, almost five years after the relevant date of September 15, 2011, and Alliance could not have been certain that it would be cancelled at all.

[26] I disagree with the Opponent’s approach. As submitted by the Applicant in its written representations, the McDonald affidavit explicitly explains the context in which the Application was filed and the cancellation proceeding for non-use was initiated. Through the McDonald affidavit, the Applicant put into evidence that it is the owner of the SPEED QUEEN trademark in the United States and the rest of the world, as indicated above in my preliminary remarks. As for the isolated and specific case of the Canadian market, the McDonald affidavit explains that “[f]or several years, Alliance declined to distribute SPEED QUEEN branded appliances in Canada because the registration was owned by Whirlpool”. It is only once

Whirlpool's application for leave to appeal to the Supreme Court of Canada from the judgment of the Federal Court of Appeal was refused and the Opponent's registration No. UCA15837 for the trademark SPEED QUEEN was officially expunged by the Registrar that the Applicant began preparations to enter the Canadian market with SPEED QUEEN products. I can see no reason to find Alliance's intention at the time of filing the Application untrue.

[27] Accordingly, I find that the Opponent has failed to discharge its initial burden of proof in respect of both of the sections 30(e) and 30(i) grounds of opposition.

Section 16(3)(a) ground of opposition

[28] In order to meet its evidential burden with respect this ground of opposition, the Opponent had to show that, as of the date of filing of the Application (i.e. September 15, 2011), its trademark SPEED QUEEN had been previously used or made known in Canada and had not been abandoned as of the date of advertisement of the Application (i.e. October 26, 2016) [section 16(5) of the Act]. In this respect, the Opponent can rely on its own use or making known or that of its predecessors in title [section 17(1) of the Act].

[29] It is the Applicant's position that the Opponent has failed to meet its initial burden of showing that the trademark SPEED QUEEN would have become made known in Canada at any time within the meaning of section 5 of the Act. In light of the Opponent's evidence (discussed below), the Applicant further submits that there was no use of the trademark SPEED QUEEN in Canada by the Opponent, or its licensee, at the date of filing of the Application on September 15, 2011. In this respect, the Applicant relies on the section 45 proceeding, which led to the expungement of the Opponent's registration No. UCA15837, to argue that the trademark SPEED QUEEN was not in use in Canada during the relevant period from October 5, 2008 to October 5, 2011, which covers the filing date of the Application and up to three years before. It is the Applicant's position that the Opponent did not provide better evidence of use of the trademark SPEED QUEEN for the same period of time than the evidence filed before the Registrar in response to the section 45 proceeding.

[30] In contrast, the Opponent submits that it has established significant use of its SPEED QUEEN trademark dating back to 1930 and that despite registration No. UCA15837 being

cancelled, the Opponent never abandoned its SPEED QUEEN trademark and continues to sell SPEED QUEEN branded washers and dryers in Canada. In this respect, the Opponent further relies on some of the findings made by Ms. Justice Gagné in the *2019 Decision* to reinforce its position that it has met its initial evidential burden under the present ground of opposition.

[31] Before addressing in more detail the parties' respective submissions, I will now review the Opponent's evidence as it relates precisely to the issue of use of the SPEED QUEEN trademark in Canada.

The Opponent's evidence

The Dibkey affidavit

[32] In the first part of his affidavit, Mr. Dibkey provides some background information about the history and business of the Opponent, including the ownership and licensing of the SPEED QUEEN trademark registration No. UCA15837 that was cancelled on July 20, 2016. He states that the trademark SPEED QUEEN has been used by Whirlpool and its licensee Whirlpool Corp by prominently displaying the SPEED QUEEN trademark on the front of washers and dryers and that at all times since acquiring the SPEED QUEEN trademark on September 30, 2004, Whirlpool has retained direct or indirect control over the character and quality of all SPEED QUEEN washers and dryers marketed and sold in Canada [paras 1-5]. In support, Mr. Dibkey attaches as Exhibit C to his affidavit, representative photos showing how the SPEED QUEEN trademark is prominently displayed on SPEED QUEEN washers and dryers sold in Canada. I note that these washers and dryers appear to be intended for commercial use as they are coin operated. I further note at this point of my decision that I am satisfied that any use of the SPEED QUEEN trademark as described by Mr. Dibkey in his affidavit enures to the benefit of Whirlpool in accordance with the licensing provisions of section 50 of the Act.

[33] Mr. Dibkey then turns to the sales made of the SPEED QUEEN washers and dryers in Canada by Whirlpool Corp as a licensee of Whirlpool.

[34] Mr. Dibkey first attaches as Exhibit D to his affidavit copies of invoices evidencing such sales. The sample invoices are dated between December 20, 2011 and July 28, 2015. Mr. Dibkey

confirms that the description and model/part numbers on the invoices correspond to sales of SPEED QUEEN washers and dryers in Canada and that these invoices are representative of the type of invoices that would accompany sales of SPEED QUEEN washers and dryers in Canada [paras 6-7].

[35] Mr. Dibkey thereafter provides at paragraph 8 of his affidavit the following table detailing the sales made of SPEED QUEEN washers and dryers in Canada for the years 1996 to 2010 (which totaled CAD \$5,481,665.59, representing 9,549 units), and for the years 2011 to 2016 (which totaled USD \$493,718.92, representing 1,038 units):

YEAR	UNITS	SALES
1996	492	CAD \$269,400.00
1997	535	CAD \$300,822.00
1998	613	CAD \$364,431.00
1999	4,152	CAD \$2,411,996.00
2000	3,575	CAD \$2,034,512.00
2001	8	CAD \$5,822.10
2002	22	CAD \$11,886.66
2003	6	CAD \$3,199.80
2004	137	CAD \$75,336.28
2005	7	CAD \$4,007.00
2008	1	CAD \$202.85
2010	1	CAD \$50.00
CAD TOTAL (1996-2010)	9,549 units	CAD \$5,481,665.69
2011	216	USD \$74,088.00
2012	148	USD \$64,923.20
2013	254	USD \$136,291.82

2014	143	USD \$77,185.92
2015	59	USD \$32,664
2016	218	USD \$107,528
USD TOTAL (2011-2016)	1,038 units	USD \$493,718.92

[36] Mr. Dibkey explains that “[t]here was a drop in sales of SPEED QUEEN washers and dryers during the years 2006-2010”. More particularly, he states that:

9. [...] This drop in market availability can be attributed, in part, to the re-allocation of resources by Whirlpool Corporation to complete the acquisition of Maytag Corporation in 2006 and subsequent integration, as well as the need to transition the SPEED QUEEN brand washer and dryer manufacturing platform to a new manufacturing location because of the acquisition. Further, manufacturing platform changes were required in order to comply with 2007 regulations issued under the ENERGY STAR program, which increased clothes washer efficiency requirements.

[37] Mr. Dibkey states that “[o]ver the last number of years, Whirlpool has focused its SPEED QUEEN business on the sale of SPEED QUEEN washers and dryers to distributors, including Debsel Inc. of Saint-Laurent, Quebec and Hartco Co Ltd, of Mississauga, Ontario” [para 10]. In support, he attaches as Exhibit E to his affidavit, “representative website captures of Hartco Co Ltd’s website offering SPEED QUEEN washers and dryers for sale” and as Exhibit F, “representative copies of SPEED QUEEN washer and dryer product specification brochures (from 2011-2012 and 2013+) for distributors to provide to their customers”.

[38] Mr. Dibkey further states that “[t]hrough the natural course of promoting its SPEED QUEEN washers and dryers, [Whirlpool] participated in a tradeshow sponsored by the Canadian Laundry Trade Association (“CALATA”) held April 13-15, 2012” [para 11]. He attaches as Exhibit G to his affidavit “photographs taken at the CALATA Tradeshow displaying a SPEED QUEEN washer”.

[39] Mr. Dibkey concludes his affidavit stating that:

12. [Whirlpool’s] SPEED QUEEN washers and dryers have an established reputation synonymous with quality in the laundry appliance market in Canada. [Whirlpool] has

developed significant goodwill surrounding its SPEED QUEEN trademark as used in relation to its SPEED QUEEN washers and dryers in Canada.

File history of Canadian trademark registration No. UCA15837 for the trademark SPEED QUEEN

[40] Given the Applicant's position that the Dibkey affidavit does not provide better evidence of use of the SPEED QUEEN trademark at the date of filing of the Application and for the period from October 5, 2008 to October 5, 2011 (the Material Period) that was at issue in the section 45 proceeding which led to the expungement of the Opponent's registration No. UCA15837, I will briefly highlight some of the key elements of the evidence that was filed in that prior proceeding.

[41] The Opponent's evidence in the section 45 proceeding consisted of the affidavit of Robert English, the Director/General Manager of Whirlpool Corp, sworn March 27, 2012 (the English affidavit).

[42] Mr. English swore to the fact that SPEED QUEEN washers and dryers were, during the Material Period, sold by Whirlpool and its licensees, including Whirlpool Corp, in the normal course of trade, to customers in Canada. The key paragraph of Mr. English's is reproduced below:

11. Sales of SPEED QUEEN washers and dryers in Canada for the years 2001-2010 totalled CAD \$100,504.69. While the overall volume of sales of SPEED QUEEN washers and dryers declined briefly in the years following Whirlpool Corporation's acquisition of Maytag Corporation in 2006, I confirm that a portion of the above sales for SPEED QUEEN washers and dryers for the years 2001-2010 occurred directly during the Material Period.

[I note that the total number of sales provided by Mr. English matches the one obtained when adding the sales figures for the corresponding years in the table under paragraph 8 of the Dibkey affidavit. However, no breakdown is provided by Mr. English.]

[43] In support of his assertions of use with respect to the SPEED QUEEN trademark, Mr. English had attached the following exhibits to his affidavit:

- Exhibit B: representative photos showing how the SPEED QUEEN trademark is, and was during the Material Period, prominently displayed on SPEED QUEEN washers and

dryers. I note that these photographs match the ones attached as Exhibit C to the Dibkey affidavit.

- Exhibits C and D: copies of invoices dated December 20, and 22, 2011 from Whirlpool Corporation to a retail customer located in the province of Quebec for 108 SPEED QUEEN washers and 108 SPEED QUEEN dryers respectively. Again, I note that these invoices are included in the sampling of invoices attached as Exhibit D to the Dibkey affidavit.

Has the Opponent met its initial evidential burden?

The Applicant's position

[44] As indicated above, the Applicant submits that the Opponent has failed to meet its initial burden of showing that the trademark SPEED QUEEN would have become made known in Canada at any time within the meaning of section 5 of the Act. The Applicant further submits that the Dibkey affidavit, just like the English affidavit, shows “that there was no use of the SPEED QUEEN trademark in Canada by the Opponent, or its licensee, at the date of filing of the Application on September 15, 2011.”

[45] More particularly, the Applicant submits in its written representations that:

38. The Dibkey affidavit shows that sales of SPEED QUEEN washers and dryers were almost inexistent between 2005 and 2010 and the few and isolated sales which were made during this period of time (eight appliances in total) should not be considered as sales made *in the normal course of trade* [in accordance with the provisions of section 4(1) of the Act].

[...]

41. The Dibkey affidavit does not provide sufficient facts to determine if, for instance, the alleged sale of two SPEED QUEEN appliances (one in 2008 and one in 2010) represent genuine commercial transactions. Those sales are not supported by any invoices and the Opponent does not provide any justification for such unusual and isolated sales.

42. In fact, the invoices attached as Exhibit D to the Dibkey affidavit are irrelevant [...] as they have all been issued after the filing date of the Application. This element of evidence should be disregarded, limiting the evidence of any possible sales to the sales figures shown in the table under paragraph 8 of the Dibkey affidavit.

43. It is also to be noted that the sales figures corresponding to those two alleged sales in 2008 and 2010 raise some serious doubts about such transactions being genuine “sales in the normal course of trade”. According to paragraph 8 of the Dibkey affidavit, the unit sold in 2008 represents a sale of CAD \$202 and the unit sold in 2010 represents a sale of CAD \$50. This is inconsistent with the average sale figure of CAD \$578 per unit sold before 2005 (incl.).

44. Besides this inconsistency, the Opponent’s evidence also falls short of explanation as to whom these two appliances would have been sold to and in what context. While the invoices attached as Exhibit D to the Dibkey affidavit have all been issued to Debsel Inc (up until November 21, 2012 only) and Harco Co Ltd, i.e. the Opponent’s distributors, *over the last number of years* (paragraph 10 of the Dibkey affidavit), there is no information whatsoever regarding the sales made prior to December 20, 2011.

45. In the Applicant’s view, the justification given by the Opponent to explain the quasi-absence of sales of SPEED QUEEN appliances in Canada for more than five years (paragraph 9 of the Dibkey affidavit) do not qualify as exceptional circumstances justifying such an interruption in sales. The Dibkey affidavit deliberately uses broad, generic terms like “re-allocation of resources”, “subsequent integration” and “manufacturing platform changes” to substantiate the justifications. However, they do not concretely explain how and why the production of SPEED QUEEN appliances went from 4,152 units and 3,575 units in 1999 and 2000 respectively, to 1 unit in 2008 and 2010 (and 0 unit in 2006, 2007 and 2009).

46. The simple allegation of sales of two units over a period of three years (2008-2010) does not allow the Registrar to assume that such sales were made in the normal course of trade, hence amounting to trademark use within the meaning of section 4(1) of the Act. The Opponent’s failure to explain the significant deviation in sales price for these two units compared to its alleged prior sales strongly suggests that they were not sales in the normal course of trade. As mentioned above, the Opponent did not provide any detail regarding such sales, by way of invoices for instance, to show, *inter alia*, the entity to whom they were sold.

47. It is to be noted that Exhibits E, F and G attached to the Dibkey affidavit [...] all fall after the filing date of the Application. They are therefore irrelevant for the purpose of showing use at that specific date.

The Opponent’s position

[46] In reply, the Opponent submitted at the hearing that in light of the *2019 Decision* there can be no ambiguity that the Opponent has met its initial burden under the present ground of opposition. The Opponent pointed to the following passages of that decision, among others, where Ms. Gagné wrote:

[54] Regarding the expungement due to non-use between 2008 and 2011, Whirlpool provides several reasons to explain this discrepancy, which are more or less serious. However, when a trade-mark's reputation is strong, it can withstand periods of non-use.

[55] Although this is discussed above in the context of abandonment, the principle still holds that as long as a mark has a strong reputation, gaps in use will not necessarily result in a loss of protection. As Whirlpool was able to establish that the SPEED QUEEN mark has a reputation within the Canadian market, Whirlpool can continue to benefit from protection despite the expungement of the registration in 2016.

[47] The Opponent further submitted that there is no reason to suspect the sales made during the years 2008 and 2010 were anything but genuine. In this respect, the Opponent stressed that it was free to the Applicant to cross-examine M. Dibkey on his sworn statements of use of the SPEED QUEEN trademark, which it elected not to do. As Mr. Dibkey was not cross-examined, the Opponent submitted that his statements must be taken at face value.

The Opponent has met its initial evidential burden

[48] Considering first the prong of the ground of opposition based on the Opponent's SPEED QUEEN trademark having been made known in Canada, I agree with the Applicant that the Opponent has failed to meet its evidential burden for the following reasons.

[49] The Opponent's evidence fails to demonstrate that the Opponent's trademark was made known in Canada in accordance with section 5 of the Act prior to the filing date of the Application on September 15, 2011. The definition of made known is set out in section 5 of the Act as follows:

When deemed to be made known

5. A trademark is deemed to be made known in Canada by a person only if it is used by that person in a country of the Union, other than Canada, in association with goods or services, and

(a) the goods are distributed in association with it in Canada, or

(b) the goods or services are advertised in association with it in

(i) any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the goods or services, or

(ii) radio broadcasts ordinarily received in Canada by potential dealers in or users of the goods or services,

and it has become well known in Canada by reason of the distribution or advertising.

[50] Suffice it to say that the Opponent's evidence does not establish use of the trademark SPEED QUEEN by the Opponent in a country of the Union, other than Canada.

[51] Turning to the prong of the ground of opposition based on prior use and non-abandonment of the Opponent's SPEED QUEEN trademark, I agree with the Opponent that it has met its evidential burden for the following reasons.

[52] As noted by the Registrar in *Olive Me Inc, et al v 1887150 Ontario Inc*, 2020 TMOB 26, section 16 of the Act does not require that an opponent prove a certain level of use or reputation. If the opponent demonstrates that its use meets the requirements of section 4 of the Act, that such use occurred prior to the filing date, and that its trademark was not abandoned at the date of advertisement of the applicant's application, the opponent will have met its burden of demonstrating prior use for the purposes of an opposition under section 16(3)(a) of the Act, even if that proof is limited to a single sale or single event, to the extent that same is in the normal course of trade [7666705 *Canada Inc v 9301-7671 Québec Inc*, 2015 TMOB 150].

[53] In this regard, section 16 of the Act does not require an opponent to necessarily demonstrate continued use of its alleged trademark in support of a ground of opposition under section 16(3)(a) of the Act. Indeed, as noted by the Federal Court of Appeal in *Iwasaki Electric Co Ltd v Hortilux Schreder B.V.*, 2012 FCA 321, at paragraph 21:

Subsection 16(5) of the Act is not based on a person ceasing to use (as defined in the Act) a trade-mark but rather on a person abandoning a particular trade-mark. As noted above, abandonment of a trade-mark is not determined based solely on a person ceasing to use that trade-mark. The person must also have intended to abandon the trade-mark. I would agree that in determining whether a person has an intention to abandon a trade-mark, an inference of such intention could, in the absence of any other evidence, be drawn as a result of a failure to use the trade-mark for a long period of time.

[54] In the present case, the Dibkey affidavit unequivocally demonstrates that the Opponent had not abandoned its SPEED QUEEN trademark as of the date of advertisement of the Application on October 26, 2016, as required by section 16(5) of the Act. Besides, I note that the Applicant does not seemingly deny that Whirlpool has made sales in the normal course of trade since December 2011 to its distributors Debsel (up until November 21, 2012) and Harco. Rather,

as I read the Applicant's submissions, the Applicant only takes issue with the Opponent's sales made prior to the filing date of the Application.

[55] In this regard, the Applicant's submissions, by focusing on the 2008 and 2010 sales, seemingly suggest that section 16(3)(a) of the Act require that there be use of the Opponent's trademark at the filing date of the Application on September 15, 2011. I appreciate the reasons for the Applicant to question the sales made during the years 2008 and 2010 (or else during the period from October 5, 2008 to October 5, 2011, that is the Material Period in the section 45 proceeding having led to the expungement of the Opponent's registration No. UCA15837). However, in my view, the Opponent's sales do not have to be at the filing date of the Application, so long as they were made prior to the filing date of the Application. For example, the only evidenced use prior to the Application could be 20 years before the filing date of the Application so long as the Opponent has also demonstrated that it had not abandoned use of its trademark at the advertisement of the Application. The material date of September 15, 2011 is for determining the likelihood of confusion under section 16(3)(a) of the Act.

[56] Here, without going as far as saying that the Opponent's sales for the years 2008 and 2010 were not *bona fide* and were made solely to create evidence, I agree with the Applicant that the significant deviation in sales price for the two units mentioned for the years 2008 and 2010 compared to the Opponent's prior sales suggest they were not made in the normal course of trade. I do not mean to say by this that the Opponent's sales needed to be made at a profit to constitute a transfer in the normal course of trade. However, in the absence of further clarification from Mr. Dibkey, I am not prepared to consider them. In the same vein, without further explanation from Mr. Dibkey as to the use made of the SPEED QUEEN trademark by the Opponent's predecessors in title prior to Whirlpool's acquisition of the mark on September 30, 2004, I am not prepared to have regard to the sales figures provided for the years 1996 to 2004 (incl. as the 2004 sales have not been distinguished between Whirlpool and its last predecessor in title). This leaves us with the 2005 sales (7 units totalling CAD \$4,007.00) and accompanying exhibited photographs of SPEED QUEEN washers and dryers sold by the Opponent's licensee Whirlpool Corp. In the absence of cross-examination from Mr. Dibkey, I see no reason to doubt Mr. Dibkey's written testimony and to conclude that the sales for the year 2005, although minimal, were not *bona fide* sales in the Opponent's normal course of trade.

In this regard, I further note that the drop in sales of SPEED QUEEN washers and dryers during the years 2006-2010 has been explained by Mr. Dibkey, which explanation was absent from the English affidavit.

[57] As the Opponent's evidential burden has been satisfied, I must now determine whether the Applicant has satisfied its legal onus.

The test for confusion

[58] Under section 6(2) of the Act, 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 or appear in the same class of the Nice Classification.

[59] In determining whether trademarks cause confusion, the Registrar must consider all the circumstances of the case, including those set forth 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. This list is not exhaustive and each of these factors can be assigned a different weight depending on the context [see *Mattel, Inc v 3894207 Canada Inc* (2006), 2006 SCC 22, 49 CPR (4th) 321; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée et al* (2006), 2006 SCC 23, 49 CPR (4th) 401; and *Masterpiece Inc v Alavida Lifestyles Inc* (2011), 2011 SCC 27, 92 CPR (4th) 361 for a thorough discussion of the general principles that govern the test for confusion].

[60] I do not find that I need to discuss each of these factors at length as this is a clear-cut case of confusion. The parties' trademarks are identical and the goods associated therewith are also identical or directly overlapping.

[61] In view of the foregoing, the section 16(3)(a) ground of opposition succeeds.

Section 2 ground of opposition

[62] In order to meet its evidential burden with respect to this ground of opposition, the Opponent had to demonstrate that its SPEED QUEEN trademark was sufficiently known at the date on which the statement of opposition was filed (i.e. November 23, 2016), to negate the distinctiveness of the Mark [*Motel 6, Inc v No. 6 Motel Ltd* (1981), 1981 CanLII 2834 (FC), 56 CPR (2d) 44 (FCTD); and *Bojangles' International, LLC v Bojangles Café Ltd*, 2006 FC 657, 48 CPR (4th) 427 (FC)]. More particularly, the Opponent had to show that its mark was known in Canada to some extent, having a “substantial, significant or sufficient” reputation to negate distinctiveness, or else “well known in a specific area of Canada” [*Bojangles, supra*, at para 33]. In this regard, an opponent’s evidence is not restricted to the sale of goods or services in Canada. It may also be based on evidence of knowledge or reputation of an opponent’s trademark including that spread by means of word of mouth or newspaper and magazine articles [*Motel 6, Inc v No 6 Motel Ltd, supra*, at 58-59].

[63] It is the Applicant’s position that the Opponent has failed to meet this burden.

[64] More particularly, the Applicant submits in its written representations that:

52. It is to be noted that the invoices attached as Exhibit D to the Dibkey affidavit have all been issued to distributors based in Saint-Laurent, Quebec (Debsel Inc) or in Mississauga, Ontario (Harco Co Ltd). Considering that both distributors are located within a short range of 500 kms and that the affidavit is silent as to where the appliances would have ultimately been shipped by the distributors for retail sale, the opponent’s evidence does not allow the Registrar to assess if such sales of SPEED QUEEN appliances would be sufficient to show the necessary reputation in Canada.

53. Moreover, according to the Dibkey affidavit, the Opponent would have sold 1038 units of SPEED QUEEN appliances between 2011 and 2016 in Canada . The Applicant submits that, beyond the territorial issue discussed above, this amount of appliances is not enough to show a substantial, significant or sufficient reputation in the mark SPEED QUEEN in Canada. Over a period of six years, this represents limited sales on an annual basis, especially if such sales are compared with the sale of 38,810 SPEED QUEEN appliances by the Applicant in Canada over a period as short as 16 months, i.e. between October 2016 (paragraph 13 of the McDonald affidavit) and March 2, 2018 (the date that the McDonald affidavit was signed).

54. Furthermore, Exhibit F (i.e. representative copies of SPEED QUEEN washer and dryer product specification brochures for distributors) and Exhibit G of the Dibkey affidavit (i.e. photographs taken at the tradeshow sponsored by the Canadian

Laundry Trade Association held April 13-15, 2012) do not help to support the Opponent's argument. At the very least, the Opponent should have explained where and in what quantity the product specification brochures have been filed and how many Canadians attended the tradeshow. In absence of such determining facts, the Registrar cannot simply assume that the Opponent's reputation for the mark SPEED QUEEN was sufficient at the time the statement of opposition was filed.

[65] In reply, the Opponent submits in its written representations that:

43. As previously noted, the Opponent has established significant use of its SPEED QUEEN trademark dating back to 1930. The applicant's only statement regarding its use of the [Mark] in Canada is paragraph 13 which states as follows: "Since October 2016, Alliance has sold over 38,810 SPEED QUEEN trademarked units for installation in Canada". It is not clear from that statement how many, if any, of the units were sold in Canada prior to the relevant date (November 2016) or even if any of the units had been installed in Canada as of the date of the affidavit (March 2, 2018).

44. Given that the Opponent has established use of its SPEED QUEEN mark sufficient to negate the distinctiveness of Alliance's [Mark] as of the relevant date and Alliance has not established how the [Mark] could possibly be distinctive of it when the Opponent has been using the same mark for the same goods dating back to 1930, it is submitted that the [Mark] was not distinctive when the opposition was filed and that the Application should be refused on that basis.

[66] The Opponent further submitted at the hearing that in light of the *2019 Decision* there can be no ambiguity that the Opponent has met its initial burden under the present ground of opposition. I am reproducing below a few passages of that decision discussing the goodwill garnered by the SPEED QUEEN trademark of the Opponent in the Canadian market:

[48] Regarding the sales based on demand, there is no prescribed quota under the Act or case law that a business must reach in order to show that the mark has attained recognition. While the case law does acknowledge that a single sale does not always meet the definition of "sale in the course of normal trade," the sales noted by Whirlpool since 2011 are greater than one per year. In my view, the consistent sales of roughly 140-250 units per year from 2011 to 2016 (with the exception of 2015, which was 59 units) show Whirlpool's engagement in the normal course of trade which supports a finding of goodwill.

[...]

[52] Alliance does not refute the 2012 trade show evidence. As well, even though the brand does not appear on the Commercial Laundry website, it does appear on Harco's website. As the distributor, this advertisement would reach end users and promote sales. Therefore, while the witnesses may not be aware of any promotional funding, there does appear to be promotion of the SPEED QUEEN brand at a trade show in 2012 and on Harco's website in 2014.

[53] Based on the extended presence of the mark in Canada, the moderate sales and promotion, Whirlpool has established that its SPEED QUEEN mark has garnered some goodwill in the Canadian market at least in Ontario.

[My underlining]

[67] While not described in detail by Ms. Justice Gagné, I note that the parties' respective evidence in that file included affidavits of Messrs. Dibkey and McDonald, and that Ms. Gagné noted that the parties' evidence indicated that:

[18] [...] In Canada, Whirlpool has sold 10 607 units bearing the SPEED QUEEN mark for the entire period of 1996 to 2017 (one has to bear in mind that out of the 500,000 laundry units of all brands Whirlpool sells in Canada yearly, only 3,000 to 5,000 are commercial laundry units). [...] In contrast, Alliance has sold over 13 000 units in Canada during the short period between October 2016 and August 2017.

[68] The cited number of 10 607 units for the years 1996-2017 essentially matches the total number of 10 587 units for the years 1996-2016 obtained when adding the number of units per year shown in the table under paragraph 8 of the Dibkey affidavit in the present file. As for Alliance's sales, it is not clear how many units, if any, were sold prior to the relevant date of November 23, 2016.

[69] In view of all the foregoing, I am prepared to accept that the Opponent has demonstrated that its trademark SPEED QUEEN had become known to some extent at least in Ontario as of the material date of November 23, 2016. However, I am not satisfied that the Opponent's evidence conclusively demonstrates that the Opponent's trademark had a reputation that was "substantial, significant, or sufficient" in Canada to negate the distinctiveness of the Applicant's Mark or, alternatively, that the Opponent's trademark was "*well known* in a specific area of Canada" (i.e. in this case, the Ontario area) as required by *Bojangles, supra*.

[70] In view of all the foregoing, the section 2 ground of opposition is dismissed for the Opponent's failure to meet its evidential burden.

DISPOSITION

[71] 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.

Annie Robitaille
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE 2021-03-31

APPEARANCES

Jennifer E. McKay

For the Opponent

No one appearing

For the Applicant

AGENTS OF RECORD

Dentons Canada LLP

For the Opponent

Robic

For the Applicant