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Citation: 2021 TMOB 237

Date of Decision: 2021-10-28

IN THE MATTER OF AN OPPOSITION

Quality Solutions Inc.

Opponent

and

Quality Smart Solutions Inc.

Applicant

**1,793,179 for QUALITY SMART
SOLUTIONS**

Application

INTRODUCTION

[1] Quality Solutions Inc. (the Opponent) opposes registration of the trademark QUALITY SMART SOLUTIONS (the Mark), which is the subject of application No. 1,793,179 (the Application) by Quality Smart Solutions Inc. (the Applicant).

[2] The Application is based on a claim of use in Canada since at least as early as August 31, 2007 in association with the following services (the Services):

Services

(1) Consulting services in the fields of regulatory compliance and quality control regarding the manufacture, marketing and sale of dietary supplements, pharmaceutical preparations, medical devices, natural health products, cosmetics and food processing; conducting inspections of facilities for manufacturing such products in preparation for government audits.

[3] The opposition is based on an allegation that the Mark is confusing with the Opponent's prior use and registration of the trademark QUALITY SOLUTIONS in association with the goods and services set out in Schedule A, as well as the Opponent's prior use of the trade name QUALITY SOLUTIONS. The Application has also been opposed on a number of technical grounds.

[4] For the reasons that follow, the opposition is rejected.

THE RECORD

[5] The Application was filed on July 26, 2016, and was advertised for opposition purposes in the *Trademarks Journal* of May 24, 2017.

[6] On July 21, 2017, the Opponent filed a statement of opposition under section 38 of the *Trademarks Act* (RSC 1985, c T-13) (the Act). 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 (see section 70 of the Act which provides that section 38(2) of the Act as it read prior to June 17, 2019 applies to applications advertised before this date).

[7] The Opponent raises grounds of opposition based on registrability, entitlement, distinctiveness, and non-compliance with sections 30(b) and 30(i) of the Act. The Applicant denied all of the grounds of opposition in a counter statement filed on August 11, 2017.

[8] Both parties filed evidence and written representations, and were represented at a hearing.

OVERVIEW OF THE EVIDENCE

[9] The evidence of record is summarized below. Pertinent portions of the evidence are discussed further in the analysis of the grounds of opposition. In reaching my decision, I have considered all the evidence in the file. However, only those portions of the evidence that are directly relevant to my findings are discussed.

The Opponent's evidence

[10] The Opponent filed the affidavit of Henry Zupanc (sworn December 6, 2017), the President of the Opponent.

[11] The Opponent owns Canadian registration No. TMA487,207 for the trademark QUALITY SOLUTIONS, in association with the goods and services set out in Schedule A of this decision. Mr. Zupanc states that the Opponent is in the business of providing audit services, training and consulting services in Quality Management Systems (QMS), Safety Management Systems (SMS), and Environmental Management Systems (EMS) to a diverse group of businesses in a variety of industries, including manufacturing, medicine, food, health, and research and testing.

[12] Mr. Zupanc states that the Opponent has been using the Opponent's mark in association with its business for about 24 years, since as early as 1992. During the period between 1992 and 1995, Mr. Zupanc personally operated the Opponent's business as a sole proprietor, before incorporating the Opponent, in about 1995, for the purpose of continuing and carrying on the Opponent's business.

[13] Mr. Zupanc states that the Opponent offers its services through various channels of trade, including through its website at *www.qualitysolutions.ca* (the Opponent's website), in trade journals, Industry Canada listings, the Yellow Pages, through professional organizations such as the American Society for Quality (ASQ), and through referrals from customers.

[14] Mr. Zupanc states that the Opponent maintains the Opponent's website, on which the Opponent's mark is featured and through which it offers its services across Canada. The current version of the Opponent's website was launched in or about 1997. The Opponent first established its website in 1995 and has continued to conduct business through the website for over 20 years. Copies of two archived pages of the Opponent's website from the Internet Archive are provided, specifically, a landing page for the website as of October 11, 1999 and a printout of the Opponent's main webpage as of June 6, 2000 (Exhibit D). Current printouts (printed 4/14/2016) of the Opponent's website are also provided (Exhibit C). I note that the Opponent's trade name and trademark appear on the printouts, as well as the trademark "qualitysolutions.ca"

with a small depiction of a maple leaf taking the place of the dot over the letter “i”. I am of the view that the addition of the “.ca” and maple leaf design, and the removal of the space between QUALITY and SOLUTIONS is a minor variation of the Opponent’s trademark which allows it to remain recognizable [*Promafil Canada Ltée v Munsingwear Inc* (1992), (FCA), 44 CPR (3d) 59 (FCA)]. Accordingly, I consider any use of the trademark “qualitysolutions.ca” in the evidence as use of QUALITY SOLUTIONS.

[15] The Zupanc affidavit includes examples of use of the Opponent’s trademark and/or trade name on shirts worn by the Opponent’s representatives during performance of the services, as well as on promotional and informational materials such as business cards, letterhead, pens, and pocket planners (Exhibit E). The Zupanc affidavit also includes one sample slideshow presentation, two examples of proposals for the Opponent’s services, and four sample invoices.

The Applicant’s evidence

[16] The Applicant filed the affidavits of Andrew Parshad, sworn October 2, 2018 (the Parshad affidavit) and Michael Kerr, sworn March 21, 2018 (the Kerr affidavit). Both Mr. Parshad and Mr. Kerr were cross-examined on their affidavits and the transcripts and answers to undertakings (provided by Mr. Parshad) form part of the record. The Applicant subsequently sought and was granted leave to file the supplemental affidavit of Mr. Parshad, sworn November 30, 2018 (Supplemental Parshad affidavit). Mr. Parshad was not cross-examined on his supplemental affidavit.

The Parshad affidavit

[17] Mr. Parshad is the President of the Applicant, and has held this position since the incorporation of the Applicant. Mr. Parshad states the following:

- The Applicant provides consulting services in respect of regulatory compliance, quality control, importing, and research and development in the fields of food and beverage, natural health products, dietary supplements, over-the-counter (OTC) drug pharmaceutical products, medical devices and cosmetics. On cross-examination, Mr. Parshad acknowledged that this description of the Applicant’s services is broader than the

Services listed in the Application (Q15, 29). Specifically, the Application does not include services in respect of importing and research and development, nor does the specification of services include the fields “food and beverage” and “OTC drug pharmaceutical products”.

- The Applicant has never provided services in respect of the following standards: International Organization for Standardization (ISO), ISO/TS, AS 9100 Hazard Analysis Critical Control Point (HACCP) and/or Occupational Health & Safety Advisory Services (OHSAS 18001). Rather, the Applicant’s services are confined to compliance with the regulations issued by Health Canada.
- From April 1, 2007 to August 31, 2009 (the pre-incorporation period), Mr. Parshad carried on business as “QUALITY SMART SOLUTIONS” as a sole proprietor, and continuously during this period, Mr. Parshad used the Mark in Canada in association with the Services. Upon the incorporation of the Applicant on September 1, 2009, Mr. Parshad assigned all his right title and interest in the Mark to the Applicant. On cross-examination, Mr. Parshad undertook to provide and subsequently provided a copy of the assignment document (Q46-48 and U/T).
- Continuously from September 1, 2009 to the present, the Applicant has used the Mark in Canada in association with the Services.
- Exhibit 1 contains a copy of the current (March 2018) version of the Applicant’s website, available online at *www.qualitysmartsolutions.com*. Exhibit 2 contains an archived version of the Applicant’s website from the Wayback Machine from August 31, 2007.
- Exhibit 3 contains examples of promotional materials that the Applicant and its predecessor have distributed in Canada since 2007 to promote the Services. Thousands of copies of such promotional materials bearing the Mark have been distributed in Canada since 2007.
- Mr. Parshad provides information on the approximate revenues derived from the performance of the Services in Canada in association with the Mark during the pre-

incorporation period and during 2009-2018. Mr. Parshad also provides information on approximate expenditures since 2007 to promote the Services in association with the Mark. Such expenditures are in excess of \$220,000 and included the preparation of business cards, promotional materials, the Applicant's website, and attendance at trade shows, a list of which is provided.

- Mr. Parshad is not aware of any instance of actual or potential confusion between the Mark and any trademark of the Opponent, including the trademark QUALITY SOLUTIONS.

[18] Additional facts and admissions obtained during Mr. Parshad's cross-examination are noted below:

- The only regulations that the Applicant assists its client with are for Health Canada and the United States Food and Drug Administration (Q31-33).
- The Applicant does not import and distribute products of any kind. Rather, it has partners that offer that service (Q102). The Applicant does not do sales and marketing (apart from consulting) (Q103), nor does it develop any products (Q106), deal with procurement (Q107), or procure products (Q107).
- The Applicant wears clothing labelled with "Quality Smart Solutions" at trade shows (Q129).
- The Applicant's services are performed electronically, through electronic measures, internet, email and so on (Q131).
- The Applicant directly filed an earlier application for trademark application No. 1,641,716 for registration of a design mark incorporating the words "QUALITY SMART SOLUTIONS" based on use in Canada since April 1, 2007. The Opponent opposed this application, alleging *inter alia* non-compliance with section 30(b) of the Act. In the course of preparing the Applicant's evidence it was revealed that no evidence existed to support the claimed date of first use. For that reason, application No. 1,641,716 was expressly abandoned and the subject application for the Mark was filed to register a word

mark composed of the text contained in the design mark that was the subject of Canadian trademark application No. 1,641,716 (Q136-137, U/T-2)

The Supplemental Parshad affidavit

[19] In this affidavit, Mr. Parshad makes a number of clarifications and provides various documents relating to matters raised during the cross-examination on the first Parshad affidavit. Specifically,

- Mr. Parshad provides the originally executed *nunc pro tunc* assignment (referred to in paragraph 6 of the first Parshad affidavit), which Mr. Parshad signed on November 9, 2018 (Exhibit 1);
- Mr. Parshad provides sales figures for the performance of the Services in Canada in association with the Mark from 2008-2018, which are confined to the Applicant's clients that are based in Canada. Sales revenues in 2008/09 were approximately \$61,000 and between 2010 and 2013, sales were in excess of \$100,000 per year. Between 2013-2018, sales were in excess of \$300,000 per year.
- Mr. Parshad states that during the pre-incorporation period (April 1, 2007 to August 31, 2009), the provision of Services in association with the Mark by the Applicant's predecessor (Mr. Parshad) to customers based in Canada generated revenue amounting to \$11,434.
- Mr. Parshad provides 22 redacted sample invoices issued by the Applicant for the provision of Services in association with the Mark to clients based in Canada. The invoices are dated between February 2008 and May 2018.

The Kerr affidavit

[20] Michael Kerr is a law clerk employed by the Applicant. Mr. Kerr conducted searches for trademarks that include QUALITY and SOLUTIONS at the Canadian Intellectual Property (CIPO) website and includes as Exhibit 1 printouts of four registrations. Mr. Kerr also conducted searches for businesses with names that include QUALITY and SOLUTIONS at the Yellow

Pages website; Exhibit 2 consists of excerpts listing 25 businesses throughout Canada with names that include QUALITY and SOLUTIONS.

[21] Mr. Kerr also attaches (as Exhibit 3) the results of a long form NUANS search for Canadian business and corporations with names that include QUALITY and SOLUTIONS, provided to the agent for the Applicant on February 27, 2018 by ARC Information Services. Mr. Kerr states that this NUANS search reveals 160 active businesses and corporations throughout Canada with names that include QUALITY and SOLUTIONS, not including the Opponent.

[22] Additional facts and admissions obtained during Mr. Kerr's cross-examination are noted below:

- Mr. Kerr did not attach the search of the CIPO database; he believes that the four registrations included in the affidavit were selected to be included in his affidavit by counsel for the Applicant.
- Mr. Kerr did not investigate nor does he have any personal knowledge about the business, or affairs, or anything else of the businesses listed in Exhibit 2.
- Regarding the NUANS search, Mr. Kerr is not exactly sure which terms were put in by ARC Information Services when conducting the search. He does not believe that he was the one who instructed them (Q20, 21).
- Mr. Kerr has no independent personal knowledge about the affairs or business of any entity or named party in Exhibit 3 (Q23).

ONUS AND MATERIAL DATES

[23] The Opponent has an 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), 20 CPR (4th) 155 (FCA).

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

- Sections 38(2)(a) and 30 – the filing date of the application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984) 3 CPR (3d) 469 (TMOB) at 475];
- Sections 38(2)(b)/12(1)(d) – the date of my decision [*Park Avenue Furniture Corporation v Wickes/Simmons Bedding Ltd and The Registrar of Trade Marks* (1991), 37 CPR (3d) 413 (FCA)];
- Sections 38(2)(c) and 16(1)(a)/(c) of the Act – the date of first use claimed in the application [section 16(1) of the Act]; and
- Sections 38(2)(d) and 2 of the Act – the filing date of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185, 34 CPR (4th) 317 (FC)].

ANALYSIS OF THE GROUNDS OF OPPOSITION

Section 30(i) ground of opposition

[25] The Opponent has pleaded that the Application does not comply with the requirements of section 30(i) as the Applicant could not have been satisfied that it was entitled to use the Mark in Canada having regard to the Opponent's previously registered trademark and trade name. The Opponent has further pleaded that the Applicant is estopped from filing a substantially identical trademark application for the identical services on the legal ground of issue estoppel. The Opponent submits that the Applicant "is not at liberty at law to repeatedly file and refile the same trademark".

[26] Where an applicant has provided the statement required by section 30(i) of the Act, a section 30(i) ground should only succeed in exceptional cases such as where there is evidence of bad faith on the part of the applicant [*Sapodilla Co Ltd v Bristol-Myers Co* (1974), 15 CPR (2d) 152 (TMOB) at 155]. The mere knowledge by the Applicant of the existence of the Opponent's trademark and trade name does not in and of itself support an allegation that the Applicant could not have been satisfied of its entitlement to use the Mark [*Woot Inc v Woot Restaurants Inc/Les*

Restaurants Woot Inc, 2012 TMOB 197 (CanLII)]. In this case, the Applicant has provided the necessary statement and this is not an exceptional case.

[27] With respect to the Opponent's allegations of non-compliance resulting from issue estoppel, the Opponent refers to the Applicant's earlier filing (in September 2013) of application No. 1,641,716 (the 716 application) for the trademark QUALITY SMART SOLUTIONS & DESIGN (the Design mark), which was opposed by the Opponent. I note that the 716 application was withdrawn during the evidence phase of that opposition prior to any hearing of that opposition or decision on the merits. At the hearing, counsel for the Opponent submitted that while issue estoppel had not strictly been established in this case, that it should nonetheless be considered as a matter of policy to prevent the multiplicity of proceedings, and thus the same parties from advancing the same issue repeatedly.

[28] The Applicant does not dispute that it filed the 716 application. Mr. Parshad, in his supplemental affidavit, explains that he personally (not through an agent) filed the 716 application, and that in the course of preparing the Applicant's evidence in that opposition proceeding, it was revealed that no evidence existed to support the claimed date of first use. Mr. Parshad submits that for that reason, the 716 application was expressly abandoned and the subject Application was filed. At the hearing, counsel for the Applicant indicated that the subject Mark is different from the Design mark. Counsel also submitted that it would be inappropriate to conclude that a party should be forbidden to correct an error that was made without consulting a trademark professional.

[29] I agree that the previously applied for Design mark and the subject Mark are not identical, such that this is not a case where an applicant is filing consecutive and identical replacement applications. Further, in the circumstances, there is nothing which prohibits the Applicant from filing a new trademark application if it becomes aware of a deficiency in the earlier application which it withdrew. Accordingly, the section 30(i) ground of opposition is rejected.

Section 30(b) ground of opposition

[30] An opponent can meet its initial burden under section 30(b) by reference not only to its own evidence but also to the applicant's evidence [*Labatt Brewing Company Limited v Molson Breweries, a Partnership* (1996), 68 CPR (3d) 216 (FCTD) at 230]. In cases where an opponent has relied upon the applicant's evidence in order to meet its evidential burden for a section 30(b) ground of opposition, the Federal Court has instructed that the opponent may successfully rely upon the applicant's evidence to meet its initial burden if the opponent shows that the applicant's evidence puts into issue the claims set forth in the applicant's application [*Corporativo de Marcas GJB, SA de CV v Bacardi & Company Ltd*, 2014 FC 323 at paras 30-38 (CanLII)].

[31] An opponent's initial burden under a section 30(b) ground has been characterized as light due to an opponent's limited access to information regarding use relative to the applicant [*Tune Master v Mr P's Mastertune Ignition Services Ltd* (1986), 10 CPR (3d) 84 (TMOB)]. If an opponent succeeds in discharging its initial evidential burden, the applicant must then, in response, substantiate its claim of use. However, while an opponent is entitled to rely on the applicant's evidence to meet its evidential burden, the applicant is under no obligation to evidence its claimed date of first use if this date is not first put into issue by an opponent meeting its evidential burden [*Kingsley v Ironclad Games Corporation*, 2016 TMOB 19].

[32] The section 30(b) ground pleaded in the statement of opposition is reproduced below:

Pursuant to section 38(2)(a), the Opponent submits that the Application does not conform to the requirements of section 30 in that the Applicant did not use its Mark on the claimed date of first use, namely April 1, 2007 in association with all of the claimed services contrary to paragraph 30(b).

[33] As the claimed date of first use in the Application is August 31, 2007, and not April 1, 2007, I am prepared to consider this simply as a typographical error.

[34] At the hearing, I noted that the Application does not identify a predecessor in title. In turn, counsel for the Applicant acknowledged this, but emphasized that the Applicant's failure to specify a predecessor in title was not cited in the Opponent's statement of opposition. Further, no revised statement of opposition raising the failure to specify a predecessor in title was filed, nor was this issue raised in the Opponent's written representations. Counsel submitted that as a

result, the failure to specify a predecessor in title should not be considered as an argument made by the Opponent under the 30(b) ground. In response, counsel for the Opponent submitted that the inclusion of the predecessor in title issue was inherent in its submissions relating to the validity of the *nunc pro tunc* assignment made by Mr. Parshad to the Applicant, and that the issue, having been raised and acknowledged, ought to be responded to.

[35] I agree that the Opponent has not pleaded that the Application does not comply with section 30(b) on the basis of the Applicant's failure to name a predecessor in title. Accordingly, I am precluded from considering this issue [*Le Massif Inc v Station Touristique Massif du Sud (1993) Inc*, 2011 FC 118] and will limit my analysis of this ground to the circumstances raised by the Opponent.

Analysis – the Opponent fails to meet its initial evidential burden

[36] The Opponent takes the position that the Applicant has filed no direct evidence to support its alleged date of first use of August 31, 2007, in association with the Services. The Opponent's representations relating to this position are reproduced below:

21. There is no direct evidence of the performance or advertising of the Services on August 31, 2007 except by way of Exhibit 2 of the Affidavit of Andrew Parshad which is a printout of the "wayback machine" allegedly showing content of the Applicant's website on August 31, 2007. The only possibly relevant portion of Exhibit 2 is attached hereto as Exhibit "A" which is not addressed or explained directly in the evidence by Mr. Parshad.

22. In neither the first Affidavit nor the Supplementary Affidavit of Andrew Parshad are there any factual details provided concerning the use of the Mark on August 31, 2007 in association with the Services, such as to enable the Board to reach a conclusion that the Services [listed in the Application] were performed or advertised. As a result the Board is supposed to infer from Exhibit 2 that all of the claimed Services were being performed and advertised on August 31, 2007 which plainly cannot be done.

23. The evidence of the Applicant concerning the date of first use is vague, ambiguous and, it is submitted, nonexistent.

24. There are questions on the cross examination of Mr. Parshad about the date of first use, and what factual differences may have existed between the state of affairs on April 1, 2007 and August 31, 2007 which were objected to or refused. The only hint given is in the Supplementary Affidavit of Mr. Parshad where apparently in the course of preparation of the Applicant's Rule 42 evidence regarding the First Application, it was

“revealed” that no evidence existed to support the alleged first use date of the Quality Smart Solutions design mark. The factual circumstances that gave rise to this conclusion have not been provided concerning what trademarks (if any) were in fact being used on April 1, 2007 by the Applicant.

25. The evidence concerning attendance at trade shows is vague and indefinite... Importantly, the trade shows that were attended are after the claimed date of first use.

26. There is also the assignment *nunc pro tunc*, attached as Exhibit 1 to the Supplementary Affidavit of Andrew Parshad, but which does not recite any facts that would entitle the Applicant to claim trademark rights back to April 1, 2007 or August 31, 2007.

[37] From my review of these submissions, the issue being put forward by the Opponent is not that the Mark, on August 31, 2007, was being used by *another* party (*i.e.*, Mr. Parshad as a sole proprietor) instead of the Applicant (a company which did not exist at that time). Rather, it is that the Applicant failed to provide sufficient evidence of use of the Mark as of August 31, 2007. Put another way, my understanding is that the Opponent is essentially relying on what it alleges is an absence of concrete evidence supporting the assertion of use dating to August 31, 2007 made in the Parshad affidavits.

[38] At the hearing, counsel for the Opponent submitted that the printout of the Applicant’s website as of August 31, 2007 from the Wayback Machine appears as the sole basis for the claimed use date of August 31, 2007, and that it does not support in any way the claimed Services in any detail. Opponent’s counsel further submitted that Mr. Parshad’s statement (at paragraph 2, Parshad affidavit) that the Applicant’s Services are confined to compliance with the regulations issued by Health Canada contradicts the claim of use with all of the claimed Services as well. Opponent’s counsel also noted that the sample promotional materials for the Services bearing the Mark (Exhibit 3, Parshad affidavit) are alleged to have been distributed by the Applicant and its predecessor since 2007 (no date or month given) rather than August 31, 2007, which it deems significant. Moreover, counsel noted that the sample invoices (Exhibit 2, Supplementary Parshad affidavit) evidencing the provision of Services in association with the Mark in Canada almost exclusively describe the services rendered as “product license application”, from which it can be inferred that these are the only services provided by the Applicant; these are not the services claimed in the Application.

[39] At the outset, I note that the mere absence or incompleteness of evidence relating to the Applicant's use of the Mark or the date of first use claimed in the Application is, by itself, insufficient to meet the Opponent's evidential burden [*Masterfile Corporation v Mohib S Ebrahim*, 2011 TMOB 85 at para 22]. While it is not extensive, I do not find anything in the Applicant's evidence that puts the claimed date of first use of August 31, 2007 into issue. On the contrary, I find that Exhibit 2 does show use of the Mark in association with various of the Services on August 31, 2007 pursuant to section 4(2) of the Act, as I find the website shows the display of the Mark in the advertising of the Services. In reaching this conclusion, I consider that Mr. Parshad's statement that the Applicant's Services are limited to compliance with regulations issued by Health Canada does not necessarily contradict the Applicant's claims of use with respect to all of the claimed Services, nor has the Opponent presented any evidence showing this to be the case. Finally, there is nothing in the cross-examination of Mr. Parshad that leads me to doubt the veracity of his statement regarding the date of first use of August 31, 2007.

[40] Based on the foregoing, I find that the Opponent has not discharged its burden under section 30(b) of the Act. Accordingly, this ground of opposition is rejected.

Section 12(1)(d) ground of opposition

[41] The Opponent has pleaded that the Mark is not registrable pursuant to section 12(1)(d) of the Act in view of the Opponent's registration No. TMA487,207 for the trademark QUALITY SOLUTIONS. I have exercised my discretion and checked the Register to confirm that this registration is extant [*Quaker Oats of Canada Ltd/La Compagnie Quaker Oats du Canada Ltée v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. Therefore, the Opponent has met its initial burden with respect to this ground.

[42] The Opponent having met its initial burden of proof, I must now determine, on a balance of probabilities, if the Mark is likely to cause confusion with the Opponent's registered trademark QUALITY SOLUTIONS.

Test for confusion

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

[44] In making such an assessment, I must take into consideration all the relevant surrounding circumstances, including those listed in section 6(5) of the Act: the inherent distinctiveness of the trademarks and the extent to which they have become known; the length of time the trademarks have been in use; the nature of the goods and services or business; the nature of the trade; and the degree of resemblance between the trademarks in appearance, or sound or in the ideas suggested by them. These criteria are not exhaustive and different weight will be given to each one in a context specific assessment [*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22, [2006] 1 SCR 772 (SCC) at para 54]. I also refer to *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, 92 CPR (4th) 361 at para 49, where the Supreme Court of Canada states that section 6(5)(e), the resemblance between the marks, will often have the greatest effect on the confusion analysis.

[45] The test for confusion is assessed as a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the applicant's mark, at a time when he or she has no more than an imperfect recollection of the opponent's trademark, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks [*Veuve Clicquot Ponsardin v Boutiques Cliquot Ltee*, 2006 SCC 23 at para 20].

Inherent distinctiveness of the trademarks and extent to which they have become known

[46] At the outset, it is useful to identify the meanings likely to be attributed to the terms that comprise the parties' marks [see *Tradall SA v Devil's Martini Inc*, 2011 TMOB 65 at para 29 which provides that the Registrar can take judicial notice of dictionary definitions]. The following definitions are from the *Canadian Oxford Dictionary*, 2nd ed.:

- “quality”-noun- 1. The general standard of something when compared to other things like it.
 2. General excellence:
 ■ [attributive] of high quality: a quality product.
- “solution” – noun- The act or a means of solving a problem or difficulty.
 ■ An explanation, answer, or decision.
 ■ [esp. in pl.] a product peddled by a high-tech company or consultant
- “smart” – adjective- 1. intelligent, keen bright
 ...
 5. quick; brisk: *set a smart pace*

[47] The Opponent’s trademark consists of the words “quality” and “solutions”. The word “quality” is descriptive insofar as the Opponent’s services relate to quality control (which term appears in the statement of services), and is also a laudatory term. The word “solutions” is highly suggestive of the character of the Opponent’s consultancy and educational services. Indeed, the Opponent’s website features the slogan “Solving Problems... that’s our business” (Zupanc affidavit, Exhibit C). Overall, I find the Opponent’s trademark to have a low degree of inherent distinctiveness.

[48] I also find the Applicant’s Mark to have a low degree of inherent distinctiveness given that the words comprising the Mark are similarly suggestive or descriptive of the associated Services. The word “quality” is descriptive of the Services that relate to quality control (which term appears in the statement of services) and is also a laudatory term. “Smart” is an adjective which suggests that the Services are accurately and efficiently delivered, and the word “solutions” is suggestive of the character of the Applicant’s consultancy services. I note that the Applicant’s website describes the meaning of QUALITY SMART SOLUTIONS as follows: (Parshad affidavit, Exhibit 1)

... I knew what I wanted my service to be and that was to be centralized on customer satisfaction. Three things come to mind in obtaining that service level. First was the quality of that service. It had to be thorough, with integrity and client complaint-free.

The word that came to mind was QUALITY. Second was that the response time to new or existing clients had to be quick and that that the operations of the service and the company had to be efficient with fine operational processes so we can deliver accurately, timely and efficiently. That’s where the word SMART came from. And thirdly we weren’t going to focus on services to our clients. That’s what the pizza delivery boy

offers. Our clients had questions, challenges and issues and we provided the answers and strategies. That's where the word SOLUTIONS came from. Together, the company name QUALITY SMART SOLUTIONS was born.

[49] With respect to the extent that that parties' trademarks have become known, the Opponent's evidence does not persuasively speak to this point. While the Opponent provides copies of archived and current (printed 4/14/2016) pages from its website, I am unable to assess the degree of the public's exposure to the website as no information on the number of visitors to the site is provided. The Opponent has shown that the Opponent's trademark appears on shirts, which are said to be worn by its representatives during the performance of its services, but has not provided an indication of the number of customers that have received the services. Promotional materials such as business cards, pens, and pocket planners bearing the Opponent's mark are depicted, but without any further information (such as the number and manner of distribution) it is difficult to ascertain the reach of these materials. Mr. Zupanc states that his business email signature block features the Opponent's trademark and appears in all business emails (para 11), but provides no indication as to the number of emails sent. Four invoices for the Opponent's services provided in June 2002, May 2003, December 2003, and November 2006, are included. However, together they total approximately \$11,000 and no other sales data is provided.

[50] The Zupanc affidavit also includes an excerpt from a single slideshow presentation (dated 2/17/2003) bearing the Opponent's trademark, but no details regarding any clients that may have seen the slideshow are provided. Examples of business proposals bearing the Opponent's mark and prepared by the Opponent for The London Health Centre in 2004, and GE Healthcare in 2006 are also provided. However, it is unknown whether these proposals were successful and resulted in work contracts for the Applicant. There is also no indication as to the total number of business proposals advanced by the Opponent and/or fulfilled.

[51] With respect to the Applicant's evidence of acquired distinctiveness, the Applicant has provided copies of archived and current (retrieved March 2, 2018) pages from its website. While the Applicant's evidence is similarly silent on the number of visitors to its website, it does include some sales information. Specifically, the Applicant has provided approximate gross sales figures (cross, Q67) derived from the performance of the Services in association with the Mark

in Canada to customers based in Canada (Supplemental Parshad affidavit, paras 7 and 8) by the Applicant and the Applicant's predecessor-in-title. Since the pre-incorporation period (which saw sales of approximately \$11,000), sales have increased to in excess of \$400,000 annually for fiscal years 2014-2017. The Applicant has also provided a number of sample invoices issued by the Applicant for the provision of the Services to clients in Canada, though I note that these invoices are, for the most part, heavily redacted.

[52] The Applicant has provided approximate advertising expenditures for the promotion of the Services in association with the Mark, and has indicated the nature of its promotional activity, including the preparation of business cards (which are not pictured), promotional materials (written materials displaying the Mark and shown in Exhibit 3 of the Parshad affidavit) and attendance at 64 trade shows between June 2007 and December 2017 (Parshad affidavit, para 9), of which 28 are located in Canada. With respect to trade show attendance, at cross-examination, Mr. Parshad disclosed that for most the shows attended, the Applicant did not have a booth (Q74). Rather, Mr. Parshad would register as an attendee in order to network and look for new business opportunities (Q77). Mr. Parshad would do this by touring the show(s) and perhaps stopping at booths (Q78). Considering the Applicant's evidence in its entirety, I am prepared to conclude that the Mark has become known in Canada to at least some extent.

[53] On balance, taking into account both the inherent and acquired distinctiveness of the parties' respective trademarks, I find that this factor slightly favours the Applicant given the greater acquired distinctiveness of the Mark.

Length of time in use

[54] The earliest evidence of use of the Opponent's trademark provided is the archived printout of the Opponent's home page, captured on June 6, 2000, which displays the Opponent's trademark and advertises the Opponent's services (Zupanc affidavit, Exhibit C).

[55] The earliest evidence of use of the Applicant's trademark provided is the archived printout of the Applicant's home page, captured on August 31, 2007, which displays the Mark and advertises the Services (Parshad affidavit, Exhibit 2). Accordingly, this factor favours the Opponent.

Nature of the goods, services or business; nature of the trade

[56] When considering sections 6(5)(c) and 6(5)(d) of the Act, it is the statement of goods and services in the application and the statement of goods and services in an opponent's registration that govern the assessment of the likelihood of confusion under section 12(1)(d) of the Act [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)]. However, those statements must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. In this regard, evidence of the actual trades of the parties is useful [*McDonald's Corp v Coffee Hut Stores Ltd* (1996) 68 CPR (3d) 168 (FCA); *Procter & Gamble Inc v Hunter Packaging Ltd* (1999), 2 CPR (4th) 266 (TMOB)].

[57] The Opponent takes the position that there is clear overlap between the services of the parties, while the Applicant takes the position that there is only superficial overlap in the parties' services as the Applicant's Services are confined to consulting services regarding regulatory compliance and quality control in the field of human health (dietary supplements, pharma, natural health products, cosmetics, food processing) whereas the services specified in the Opponent's registration (a) do not mention health-related products, and (b) list a range of issues regarding the bird's eye view of the operation of a business (human resources, computers, internet, manufacturing).

[58] For ease of reference, I note that the Applicant's Services as listed in the Application are as follows:

Consulting services in the fields of regulatory compliance and quality control regarding the manufacture, marketing and sale of dietary supplements, pharmaceutical preparations, medical devices, natural health products, cosmetics and food processing; conducting inspections of facilities for manufacturing such products in preparation for government audits.

[59] I do not consider there to be overlap between the Applicant's Services and the goods of the Opponent, namely "printed material and electronic replications of printed materials; namely, brochures, pamphlets, certificates, manuals and proposals". However, there is some overlap between the Applicant's Services and the services of the Opponent insofar as the Opponent's

statement of services also relates to the field of quality control as underlined below. I make this finding notwithstanding that it is somewhat unclear from the punctuation preceding the underlined wording whether the quality control and assurance services are standalone services or fall under the umbrella of educational services and training services. Arguably, there is also some overlap in respect of the Applicant's inspection services in preparation for government audits and the Opponent's auditing services:

(1) Educating via individual, group or workshop seminars and courses; in the field of customer relations/service; human resources development; personal skills development, quality control and assurance control of manufacturing processes and product and auditing thereof; writing and the development of written and electronic material namely, computer software; consulting in the industries of services; quality control and assurance control of manufacturing processes and product by assessing and reviewing the manufacturing processes and product.

(2) Training via individual, group or workshop seminars and courses; in the field of customer relations/service; human resources development; personal skills development, quality control and assurance control of manufacturing processes and product and auditing thereof and management training; consulting in the industries of manufacturing;

(3) Consulting in the industries of agriculture.

(4) Consulting in the industries of computers; consulting in the industries of governments; consulting in the industries of human resources organizations.

(5) Consulting in the industries of internet including the worldwide web.

(6) Auditing and analysing the manufacturing processes and product.

(7) Consulting to small business and to the communications industry.

[60] While the Opponent's statement of services is fairly broad (in particular, in the consulting services listed), from my review of the Opponent's evidence, it appears that in practice, the Opponent focuses on educational, training, and consulting services for organizations at a macro-level and involves standards set by the International Organization for Standardization (ISO). The four invoices tendered by the Opponent are all for ISO training (Zupanc affidavit, Exhibit H), and the majority of the pages printed from the Opponent's website (circa April 2016) discuss ISO standards and certification (ISO 9000/9001 (QMS – Quality Management Standard), 14000/14001 (EMS – Environmental Management Systems)) (Zupanc affidavit, Exhibit C).

[61] In contrast, the Applicant's evidence suggests it has a different focus. Mr. Parshad states that the Applicant has never provided services in respect of ISO standards; rather, the

Applicant's Services are confined to compliance with the regulations issued by Health Canada (Parshad affidavit, para 2). While the description of the services rendered in some of the sample invoices tendered by the Applicant are redacted, where visible, they are mainly described as "product license applications". Archived pages from the Applicant's website (Exhibit 2, Parshad affidavit) indicate that the Services are intended for companies that are "serious about Quality in their nutra, food, or pharma organization", and can address needs from "Natural Health Product application preparation to Process Development", and many of the promotional materials are similar in scope (Parshad affidavit Exhibit 3). In the current printouts (circa March 2018) of the Applicant's website, the Applicant describes itself as an "expert consultant firm serving clients globally, offering a wide array of solutions in Regulatory Compliance..." with "science and compliance expertise covering Foods, Natural Health Products, Dietary Supplements, Over the Counter Drug Products, Medical Devices, and Cosmetics for Canada, USA, United Kingdom, Europe, and Australia" (Parshad affidavit, Exhibit 1).

[62] With respect to the channels of trade and prospective consumers, both parties appear to offer their services through their respective websites. The parties currently appear to service different niches of quality control and thus target different consumer needs; however, there are no limitations that could prevent the same consumers from accessing the services of both parties.

Degree of resemblance

[63] When considering the degree of resemblance between trademarks, they must be considered in their totality; it is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the marks [*Veuve Clicquot, supra*].

[64] In *Masterpiece*, the Supreme Court of Canada observed that while the first word of a trademark may, for purposes of distinctiveness, be the most important in some cases, [*Conde Nast Publications Inc. v. Union des éditions modernes* (1979), 46 CPR (2d) 183 (FCTD)] a preferable approach is to first consider whether there is an aspect of the trademark that is particularly striking or unique [*Masterpiece, supra*, at para 64]. Further, while the first portion of a mark may often be the most important for the purpose of distinguishing between marks, when

the first or dominant portion of a mark is a descriptive or suggestive word, such as in this case, its importance diminishes [*Sky Solar Holdings Co, Ltd v Skypower Global*, 2014 TMOB 262].

[65] In its written representations, the Opponent notes that the trademarks share the same prefix and submits that this is significant, citing *Conde Nast, supra*. The Opponent further notes that the trademarks also share the same suffix, and the fact that the entirety of the Opponent's QUALITY SOLUTIONS trademark is included in the Applicant's Mark increases the likelihood of confusion between the trademarks.

[66] In contrast, the Applicant takes the position that the word "smart" constitutes the striking or unique aspect of the parties' marks, and that since only the Mark includes this element, the Mark and the Opponent's trademark/trade name have a low degree of resemblance as a result. The Applicant's submissions on this point are reproduced below:

38. In *Masterpiece* (at ¶49) the Supreme Court stated that while the first word in the trademarks under consideration may, for purposes of distinctiveness, be the most important in some cases, the preferable approach is to first consider whether there is an aspect of the trademark that is particularly striking or unique. For the following reasons, SMART is the striking or unique aspect of the parties' trademarks: (a) the word QUALITY has been disclaimed in the Opponent's Registration; (b) "quality control" is referred to three times in the services specified in the Opponent's Registration; (c) "quality" is referred to throughout the websites and promotional materials contained within the parties' evidence; and (d) the word SOLUTIONS (which means "providing an answer") is highly suggestive of consulting and educational services because that is what consultants and educators do: they provide answers.

39. The Subject Mark and the Opponent's Mark/Trade Name have a low degree of resemblance considering that (a) the word SMART is the striking or unique aspect of the parties' trademarks and (b) the word SMART is present only in the Subject Mark. As a result, the parties' marks have no significant similarity in sound, appearance or ideas suggested. There are more words and syllables in the Subject Mark and the public's attention will be drawn to the word SMART due to its relatively unique/striking nature. The inclusion of the word SMART in the Subject Mark causes the trademark to convey a different idea than the idea conveyed by the Opponent's Mark/Trade Name.

[67] When considering the marks in their totality, I find neither element of the Opponent's trademark to be particularly striking or unique given their descriptive or suggestive nature. For the same reasons, I do not find any element of the Applicant's Mark to be striking or unique. In particular, contrary to the Applicant's submissions, I do not find the word "smart" to be striking or unique given that it is a dictionary word holding a suggestive connotation in relation to the

Services (as opposed to an arbitrary or coined term), with the result that there is a high degree of resemblance between the parties' marks. That said, I consider that the inclusion of the word "smart" in the Mark still has an impact in that it renders the Mark slightly different from the Opponent's trademark in appearance, sound, and in the ideas suggested.

Surrounding circumstance - jurisprudence concerning weak trademarks

[68] I consider the jurisprudence concerning weak trademarks to be a factor favouring the Applicant. It is well established that a weak trademark (*ie*, a mark of low inherent distinctiveness) is not entitled to a wide ambit of protection [*General Motors Corp v Bellows* (1949), 10 CPR 101 at pp. 115-6 (SCC)], and that comparatively small differences will be sufficient to distinguish between weak marks [*Prince Edward Island Mutual Insurance Co. v Insurance Co. of Prince Edward Island* (1999), 86 CPR (3d) 342 (FCTD) at paras 32-34]. In *Provigo Distribution Inc v Max Mara Fashion Group SRL* (2005), 46 CPR (4th) 112 at para 31 (FCTD), de Montigny J. explained:

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

[69] While it is possible for the degree of distinctiveness attributable to a weak mark to be enhanced through extensive use [*Sarah Coventry Inc v Abrahamian* (1984), 1 CPR (3d) 238 at para 6 (FCTD)], I do not find this to be the case for the Opponent's trademark.

Surrounding circumstance – no evidence of actual confusion

[70] The Applicant submits that the co-existence of the parties' marks/names since 2007 without any evidence of actual confusion is a circumstance that further reduces the finding of a likelihood of confusion. Mr. Parshad states at paragraph 11 of the Parshad affidavit that he is unaware of any instances of actual or potential confusion between the Mark and any trademark of the Opponent, including the trademark QUALITY SOLUTIONS. During cross-examination, Mr. Parshad was unable to explain what was meant by the "potential confusion" (cross, Q94).

However, Mr. Parshad's statement that he is not aware of any actual confusion between the marks was not undermined (cross, Q93).

[71] I am prepared to give some weight to this evidence, though in doing so I note that it is not determinative of the issue of confusion [*Mr. Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)].

Surrounding circumstance – state of the register and marketplace

[72] As a further surrounding circumstance, the Applicant has relied on the state of the register evidence of Mr. Kerr. Mr. Kerr provided printouts of four registrations that include QUALITY and SOLUTIONS; a list of 25 businesses in Canada from the Yellow Pages Website with names that includes QUALITY and SOLUTIONS; and the results of a long form NUANS search revealing 160 Canadian businesses and corporations with names that include QUALITY and SOLUTIONS.

[73] State of the register evidence favours an applicant when it can be shown that the presence of a common element in marks would cause consumers to pay more attention to the other features of the marks, and to distinguish between them by those other features [*McDowell v Laverana GmbH & Co. KG*, 2017 FC 327 at para 42]. Inferences regarding the state of the marketplace may be drawn from such evidence in two situations: a large number of relevant registrations are located; and/or there is evidence of common use in the marketplace of relevant third party marks [*Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA); *McDowell v Laverana GmbH & Co KG*, 2017 FC 327 at paras 41-46]. Relevant trademarks include those that (i) are registered; (ii) are for similar goods and services as the marks at issue, and (iii) include the component at issue in a material way [*Sobeys West Inc v Schwan's IP, LLC*, 2015 TMOB 197].

[74] I am not prepared to draw any inferences about the state of the marketplace from this evidence considering the small number of trademark registrations that have been identified. Further, some of these marks appear to cover goods or services unrelated to the goods and services in the present case, and no evidence of use in the marketplace has been provided. With respect to the business names listed in the Yellow Pages and in the NUANS search, many of

these listings do not identify the nature of the business (particularly for the NUANS search results), or appear to be businesses unrelated to those of the parties.

Conclusion

[75] Having regard to the foregoing, and taking into account that the Opponent's trademark is a weak mark, that the Opponent's evidence of use is very limited and does not broaden the scope of protection attributable to the trademark, and in the absence of evidence of actual confusion despite a lengthy period of co-existence in the marketplace, I find that the balance of probabilities with respect to the issue of confusion weighs slightly in favour of the Applicant. Accordingly, the section 12(1)(d) ground of opposition is rejected.

[76] As an aside, I note that had the Opponent's evidence demonstrated that its trademark had become known in Canada via extensive use or advertising so as to benefit from acquired distinctiveness, I may have reached a different conclusion on this ground of opposition.

Section 16(1)(a) and (c) grounds of opposition

[77] The section 16(1)(a) and 16(1)(c) grounds of opposition also turn on the issue of confusion between the Mark and the Opponent's QUALITY SOLUTIONS trademark and trade name. I find that the evidence of the Opponent discussed above, in particular the archived print outs of the Opponent's website, the sample invoices, and the sample proposals, when viewed together, to be sufficient to meet the Opponent's initial evidential burden.

[78] In assessing the issue of confusion, for the most part, my findings under the section 12(1)(d) ground of opposition are also applicable to this ground. The main difference is that for the factor set out in section 6(5)(a), I consider that the acquired distinctiveness of the Applicant's Mark does not assist the Applicant such that this factor (which takes into account both the inherent and acquired distinctiveness of the Mark) does not favour either party. Also, the co-existence of the parties' marks since 2007 is not a factor that can be considered in this analysis. In my view, these differences are not sufficient to tip the balance in favour of the Opponent, particularly in view of the inherent weakness of the Opponent's trademark and the limited

evidence of use of the Opponent's trademark which does not broaden the scope of protection attributable to it. Accordingly, these grounds of opposition are rejected.

Section 2 ground of opposition

[79] The Opponent has pleaded that the Mark is not distinctive in view of the Opponent's prior use and registration of the Opponent's trademark QUALITY SOLUTIONS and the Opponent's prior use of the trade name QUALITY SOLUTIONS.

[80] This ground of opposition is rejected on the basis that the Opponent has failed to meet its evidential burden. As discussed above, the Opponent's evidence is insufficient to establish that its trademark had become known sufficiently in Canada as of any date, including the material date of July 21, 2017 (the date of filing the statement of opposition), so as 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); *Bojangles' International, LLC and Bojangles Restaurants, Inc v Bojangles Café Ltd (2006)*, 2006 FC 657 (CanLII), 48 CPR (4th) 427 (FC)].

DISPOSITION

[81] Pursuant to the authority delegated to me under section 63(3) of the Act, I reject the opposition pursuant to section 38(12) of the Act.

Jennifer Galeano
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A

Goods and services listed in the Opponent's registration No. TMA487,207:

Goods

- (1) Printed material and electronic replications of printed materials; namely, brochures, pamphlets, certificates, manuals and proposals.

Services

- (1) Educating via individual, group or workshop seminars and courses; in the field of customer relations/service; human resources development; personal skills development, quality control and assurance control of manufacturing processes and product and auditing thereof; writing and the development of written and electronic material namely, computer software; consulting in the industries of services; quality control and assurance control of manufacturing processes and product by assessing and reviewing the manufacturing processes and product.
- (2) Training via individual, group or workshop seminars and courses; in the field of customer relations/service; human resources development; personal skills development, quality control and assurance control of manufacturing processes and product and auditing thereof and management training; consulting in the industries of manufacturing;
- (3) Consulting in the industries of agriculture.
- (4) Consulting in the industries of computers; consulting in the industries of governments; consulting in the industries of human resources organizations.
- (5) Consulting in the industries of internet including the worldwide web.
- (6) Auditing and analysing the manufacturing processes and product.
- (7) Consulting to small business and to the communications industry.

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

Hearing Date 2021-06-23

Appearances

| | |
|------------------|-------------------|
| Serge Anissimoff | For the Opponent |
| Paul Tackaberry | For the Applicant |

Agents of Record (All of the Agents at)

| | |
|---------------------|-------------------|
| Siskinds LLP | For the Opponent |
| Ridout & Maybee LLP | For the Applicant |