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C I P O

LE REGISTRAIRE DES MARQUES DE COMMERCE
THE REGISTRAR OF TRADEMARKS

Citation: 2022 TMOB 174

Date of Decision: 2022-08-30

IN THE MATTER OF AN OPPOSITION

CNC Industries Ltd.

Opponent

and

C&C Industries, Inc., DBA C&C

Applicant

1,820,050 for CNC FLOW CONTROL

Application

INTRODUCTION

[1] CNC Industries Ltd. (the Opponent) opposes registration of the trademark CNC FLOW CONTROL (the Mark), which is the subject of application No. 1,820,050 by C&C Industries, Inc., DBA C&C (the Applicant).

[2] The Mark is applied for on the basis of proposed use in Canada in association with the following goods:

- (1) Metal valves not being parts of machines, including manually operated metal valves, namely non-machine element metal valves; metal manifolds and metal couplings for use with hydraulic and pneumatic systems, namely metal manifolds for pipelines and pipe couplings of metal; metal hardware for industrial use, namely, water pipe valves and fittings; metal pipe couplings, fittings for pipelines, metal joints, namely metal junctions for pipes; metal flanges
- (2) Gearing for machines, other than for land vehicles; hydraulic valve actuators; pneumatic valve actuators
- (3) Automatic valves; electric valve actuators
- (4) Pipe gaskets; plastic pipe couplings, fittings, and joints for pipelines; plastic flanges for pipelines.

[3] The opposition is primarily based on an allegation that the Mark is confusing with the Opponent's CNC trademark, previously registered and used in Canada in association with the same or related goods.

THE RECORD

[4] The application for the Mark was filed on January 26, 2017, with a claimed priority filing date of January 26, 2017 based on a United States of America application in association with the same kind of goods.

[5] The application was advertised for opposition purposes on March 21, 2018. Numerous amendments to the *Trademarks Act*, RSC 1985, c T-13 (the Act) came into force on June 17, 2019. Pursuant to section 70 of the Act, the grounds of opposition will be assessed based on the Act as it read immediately before June 17, 2019, an exception being that, with respect to confusion, sections 6(2) to (4) of the Act as it currently reads will be applied.

[6] On July 20, 2018, the Opponent opposed the application by filing a statement of opposition under section 38 of the Act. Following amended statements of opposition and an interlocutory ruling dated February 8, 2019, the pleaded grounds of opposition based on sections 30(a), 30(i), and 12(1)(b) of the Act were struck in their entirety pursuant to the Registrar's ruling. I further note that the pleaded grounds based on section 30(e) of the Act were struck in part, with the remaining part subsequently withdrawn by the Opponent [Opponent's Written Representations at para 24].

[7] As such, the extant grounds of opposition are based on non-registrability under section 12(1)(d), non-entitlement under section 16(3), and non-distinctiveness under section 2 of the Act.

[8] The Applicant filed a counter statement denying the grounds of opposition.

[9] In support of its opposition, the Opponent filed the following affidavits:

- Affidavit of Paramdeep Gill, sworn July 5, 2019 in Nisku, Alberta (the First Gill Affidavit);

- Affidavit of Paramdeep Gill, sworn November 1, 2019 in Nisku, Alberta (the Second Gill Affidavit), submitted as leave evidence;
- Affidavit of Paramdeep Gill, sworn June 12, 2020 in Edmonton (the Third Gill Affidavit), submitted as further leave evidence;
- Affidavit of Jacob Germaine, sworn May 29, 2020 in Edmonton (the Germaine Affidavit) as leave evidence; and
- Affidavit of Kristofer Henke, sworn May 27, 2020 in Edmonton (the Henke Affidavit), submitted as leave evidence.

[10] In support of its application, the Applicant filed the affidavit of Jeff Adams, sworn March 12, 2020 in Houston, Texas (the Adams Affidavit).

[11] None of the affiants were cross-examined.

[12] Both parties submitted written representations and were represented at an oral hearing.

OVERVIEW OF THE OPPONENT’S EVIDENCE

[13] The Opponent is the owner of trademark registration No. TMA497731 for the trademark CNC (the Opponent’s Trademark), registered since 1998 in association with the following goods (the Opponent’s Registered Goods):

- (1) Parts for heavy digging and dirt-moving equipment, namely: pins, bushings, undercarriage rollers.
- (2) Parts for heavy digging and dirt-moving equipment, namely: ripper shanks.
- (3) Parts for heavy digging and dirt-moving equipment, namely: idlers.
- (4) Parts for heavy digging and dirt-moving equipment, namely: shafts.

[14] The Opponent also alleges use of the Opponent’s Trademark since at least as early as July 2010 in association with a variety of “downhole products” in the oil and gas industry (the Opponent’s Unregistered Goods), further described below.

First Gill Affidavit

[15] Mr. Gill is the Vice President of Operations of the Opponent [para 1]. The First Gill Affidavit evidences the following:

- The Opponent was incorporated pursuant to the laws of the province of Alberta on September 13, 1985;
- The Opponent's history, operations and scope of its business as a manufacturer of OEM (Original Equipment Manufacturer) components and of specialized parts for the mining, construction, earthmoving and oil extraction industries [paras 4 to 10, Exhibit B];
- Registration and ownership of the Opponent's Trademark, and its reputation generally [paras 7 to 12 and 15 to 17, Exhibits C and E];
- Ownership and use of the Opponent's Trademark in association with the Opponent's Unregistered Goods, described as "a wide range of downhole products in the oil and gas industry, for example, completion tools used in conventional and hydraulic fracturing, RFID tools, jarring and fishing tools, well abandonment tools and downhole motor parts" since at least as early as July 2010 [para 13 and 16];
- Display of the Opponent's Trademark on the Opponent's website, *cncindustries.com* [para 13, Exhibit D];
- Use and promotion of the Opponent's Trademark in Canada, including via signage [para 18, Exhibit F], promotional materials [para 20, Exhibit G], trade shows [para 21, Exhibit H], event sponsorship [para 22], and sales and shipment of the Opponent's goods [paras 23 and 24, Exhibits I and J]
- The Opponent's community involvement and partnerships, that include display of the Opponent's Trademark and the CNC Industries Ltd. trade name [paras 24 to 28, Exhibits K to O].

[16] I note that display of the Opponent's Trademark throughout the Opponent's evidence is largely in the form of a CNC Industries Ltd logo (the Opponent's Logo), three variations of which are shown below:



[17] The first variation of the Opponent’s Logo primarily appears on the evidenced invoices, the second variation appears on packaging, and the third variation appears on the Opponent’s website.

[18] Mr. Gill also discusses the elements of confusion as between the parties’ trademarks, broken down by each of the statutory factors as set out in section 6(5) of the Act [paras 29 to 41, Exhibits P to T]. Mr. Gill’s observations will be addressed in the confusion analysis below, but I note that the Gill Affidavit also describes incidents of actual confusion since 2018 [paras 42 to 45, Exhibits U to W].

Second Gill Affidavit

[19] The Second Gill Affidavit, submitted and made of record as leave evidence, evidences the following:

- The corporate history of the Applicant and its predecessors-in-title [para 6];
- Printouts from the Internet Archive Wayback Machine of the webpage quantumltd.com/about-us, as it appeared on various dates between July 2017 and March 2019 [paras 7 and 8, Exhibit C];
- A photograph of a building in Edmonton that has signage that includes “CNC”, alleged to belong to the Applicant or its licensee [para 9, Exhibit F];
- Further incidents of actual confusion regarding the parties and their respective trademarks, including phone calls, emails and orders received by the Opponent but intended for the Applicant, since 2018 [paras 12 to 16, Exhibits E to G];

[20] Mr. Gill opines that the Applicant is “maliciously trying to infringe upon the Opponent’s reputation, with the name CNC Flow Control and furthermore by referring to themselves as CNC” [para 11], and that incidents of confusion were rare prior to the summer of 2018, when Quantum Supply Ltd. changed its name to Eriks CNC Flow Control Ltd. [para 17].

Third Gill Affidavit

[21] The Third Gill Affidavit, submitted and made of record as leave evidence, supplements the First and Second Gill Affidavits with further details and clarifications, including with respect to:

- The Owner’s sales and export of CNC-branded goods [paras 6a to 6g and 7a, Exhibit AA];
- The display of the Opponent’s Trademark on crates and packaging [paras 6h and 6i];
- Providing first dates regarding the Opponent’s activities and/or instances of display of the Opponent’s Trademark, as evidenced in the First Gill Affidavit [paras 6k, 6m, 6n, 6p and 6q];
- Estimates regarding the Opponent’s yearly advertising expenditures, broken down by the Opponent’s Registered Goods and the Opponent’s Unregistered Goods [para 6r]; and
- The Opponent’s distribution of promotional materials to customers and business partners [para 6l].

Germaine Affidavit

[22] Mr. Germaine is a Manufacturing Associate with the Opponent [para 1]. He states that his responsibilities include the handling of requests and orders that come into the Opponent, and in the course of such responsibilities he receives phone calls and emails from customers requesting quotations for products [para 2]. He indicates that, in 2018, he began receiving “a number of calls” from customers looking for products that the Opponent does not manufacture [para 3]. He explains that the customers who had been contacting the Opponent in error

“typically” inquire about hammer unions (a type of flow line connector) and butterfly valves, both of which are products that can be used in various industries, including the mining and oil industries [para 4]. Mr. Germaine states that in the “ordinary course” of conversations with customers who contact the Opponent in error, such customers “always confirm” that they had intended to call Eriks CNC Flow Control Ltd., referring to them as ‘CNC Flow Control’; many of these callers told Mr. Germaine that they had conducted a Google search for ‘CNC’ and called “the first number that came up” [para 5]. Mr. Germaine states that such calls began “in or around June 2018 and have been occurring consistently up to the present time, being May 2020” [para 6].

Henke Affidavit

[23] Mr. Henke is the Engineering Manager in the Opponent’s Mining and Earthmoving division [para 1]. The Henke Affidavit evidences a ‘CNC’ billboard “on Highway 2 near Innisfail” that advertises butterfly valves [para 3, Exhibit A]. Mr. Henke states that the billboard had been brought to his attention by a customer, who had seen the billboard and mistakenly assumed that it belonged to the Opponent [para 2].

OVERVIEW OF THE APPLICANT’S EVIDENCE

Adams Affidavit

[24] In his affidavit, Mr. Adams attests that he is the President of Eriks CNC Flow Control Ltd. (Eriks CNC) [para 1]. He explains that Eriks CNC is the result of a merger between the Applicant and The Newdell Company in 2017 [paras 4 and 5], which was followed by a renaming in 2018 [para 6]. For purposes of this decision, references to the Applicant include Eriks CNC. The Adams Affidavit evidences the following:

- The corporate history of the Applicant and Eriks CNC, including that of its predecessor-in-title, Quantum Supply Ltd., dating back to April 2000 [paras 3 to 6];
- The Applicant’s CNC FLOW CONTROL goods are “predominantly comprised of valves, gaskets and pipefittings for use throughout the energy, mining, pulp and paper and industrial sectors ... used as components of valve and flow line systems in order to

control and direct the flow liquids and gases”, but Mr. Adams specifies that the Applicant’s goods “are not for use as parts of machinery” [para 7];

- The Applicant’s goods “are a combination of sub brands distributed by C&C Industries and The Newdell Company”, which include C&C branded valves, gaskets and pipefittings, which have been sold in Canada “for a number of years” [para 8];
- The manner of display of the Mark on the Applicant’s goods [para 11, Exhibit A];
- Sales of the Applicant’s goods in Canada “Since as early as 2018 when the corporate name was changed” [paras 15 to 17], including a table showing annual sales of CNC FLOW CONTROL goods in Canada totalling at least \$35 million [para 16], and five representative invoices to Canadian customers [Exhibit B]; and
- Examples of advertisement of the Applicant’s CNC FLOW CONTROL goods, including via billboards, the Applicant’s *cncflowcontrol.com* website, video advertisements, sponsorships and direct marketing [paras 19 to 21 and Exhibits C to E], with total advertising expenditures for 2018 and 2019 approximating \$400,000 [para 19].

EVIDENTIAL BURDEN AND LEGAL ONUS

[25] In accordance with the usual rules of evidence, there is an evidential burden on the Opponent to prove the facts inherent in its allegations pleaded in the statement of opposition [*John Labatt Ltd v Molson Companies Ltd*, 1990 CarswellNat 1053 (FCTD)]. The presence of an evidential burden on the Opponent with respect to a particular issue means that in order for the issue to be considered at all, there must be sufficient evidence from which it could reasonably be concluded that the facts alleged to support that issue exist.

[26] For those allegations for which the Opponent has met its evidential burden, the legal onus is on the Applicant to show that the application does not contravene the provisions of the Act as alleged in the statement of opposition. The presence of a legal onus on an Applicant means that, if a determinate conclusion cannot be reached once all the evidence has been considered, then the issue must be decided against it.

12(1)(D) GROUND – CONFUSING WITH A REGISTERED TRADEMARK

[27] The Opponent pleads that that the Mark is not registrable because it is confusing with the Opponent’s registration No. TMA497731 for the Opponent’s Trademark, CNC.

[28] The material date with respect to confusion with a registered trademark is the date of this decision [Simmons Ltd v A to Z Comfort Beddings Ltd, 1991 CarswellNat 1119 (FCA)]. As the Opponent’s registration is extant on the register, the Opponent meets its initial burden.

[29] Accordingly, the Applicant must establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and the Opponent’s Trademark.

Preliminary Matter - Use of the Opponent’s Trademark as Registered

[30] In its representations, the Applicant submits that the Opponent has not evidenced use of the Opponent’s Trademark but rather, at best, variations of the Opponent’s Logo or the tradename CNC Industries Ltd.

[31] However, I agree with the Opponent that display of the various iterations of the Opponent’s Logo (as reproduced above) also constitutes display of the CNC word mark for purposes of this analysis. In this respect, the letters CNC are displayed in a larger, more prominent font and/or a separate line from the words “Industries Ltd”. In any event, even if I were to consider the Opponent’s trademark at issue to be the Opponent’s Logo, as the first portion of both parties’ trademarks are the same, the confusion analysis below would not differ significantly.

Test to determine confusion

[32] The test to determine the issue of confusion is set out in section 6(2) of the Act which provides that the use of a trademark causes confusion with another trademark if the use of both trademarks in the same area would be likely to lead to the inference that the goods or services associated with those trademarks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class or appear in the same class of the Nice Classification.

[33] The test to be applied is a matter of first impression in the mind of a casual consumer “somewhat in a hurry” who sees the Mark in association with the applied-for services at a time when they have no more than an imperfect recollection of the Opponent’s Trademark and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20].

[34] In making such an assessment, all the relevant surrounding circumstances must be taken into consideration, 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 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.

[35] The criteria or factors in section 6(5) of the Act 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 at para 54]. In *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27, the Supreme Court of Canada stated that section 6(5)(e), the resemblance between the trademarks, will often have the greatest effect on the confusion analysis [at para 49] and that, while the first word in the trademark may be the most important in some cases, the preferable approach is to consider whether there is an aspect of the trademark that is particularly “striking or unique” [at para 64].

Inherent Distinctiveness and the Extent Known

[36] As the Registrar may take judicial notice of dictionary terms [*Tradall SA v Devil’s Martini Inc*, 2011 TMOB 65], I note the following definitions of CNC:

CNC: computer numerical control [*merriam.webster.com*]

CNC: (abbreviation Digital Technology) automated operation of a machine by a computer program [*dictionary.com*]

[37] Accordingly, CNC appears to be at least suggestive of the parties’ goods, in that they may be created or operated by computer numerical control technology. Indeed, in its written representations, the Opponent acknowledges that it began using CNC “over 30 years ago because it was an acronym for a new technology called ‘Computer Numerical Controls’ which [the

Opponent] had started using in their business” [para 32]. Furthermore, the Applicant notes instances in the First Gill Affidavit where Mr. Gill appears to use the term CNC descriptively [Applicant’s written representations at para 59, referencing the First Gill Affidavit at paras 5 and 6].

[38] On the other hand, I also note that the Applicant has not evidenced common use of “CNC” in the mining or oil and gas industries by others.

[39] With respect to the Mark, per the Adams Affidavit, the Applicant submits that the CNC element was derived from combining elements of the names of the Applicant’s predecessors [Applicant written representations at para 58]. However, even if I were to consider this relevant, there is no evidence that consumers would understand this particular etymology; indeed, the only evidence regarding consumer impression indicates confusion with the Opponent’s Trademark.

[40] Furthermore, the additional term FLOW CONTROL appears to be descriptive, in that the goods are for flow control.

[41] Accordingly, both parties’ trademarks appear to have equally low inherent distinctiveness.

[42] With respect to the extent the parties’ trademarks have become known in Canada, the Applicant has evidenced sales of its CNC FLOW CONTROL goods in Canada since 2018 amounting to over \$35 million, with approximately \$5 million in sales prior to July 19, 2018, *i.e.*, the filing date of the opposition [Adams Affidavit at paras 16 and 17]. The Applicant has also evidenced various advertising initiatives since 2018, with Mr. Adams estimating that approximately \$125,000 was spent on advertising the CNC FLOW CONTROL Goods between January 1, 2018 and July 19, 2018 in particular [paras 19 to 21].

[43] As noted by the Opponent, although there is evidence of advertising as of late March 2018, sales in association with the Mark appear to have commenced only in May 2018, after the May 2018 corporate name change of the Applicant and per an invoice dated May 1, 2018 [Opponent’s written representations at para 37]. Furthermore, evidence of advertising in association with the Mark at any time appears to be limited to Alberta [Opponent’s written representations at para 42].

[44] With respect to the Opponent's Trademark, the Opponent has evidenced reputation and use since the early 1990s. As noted above, the Applicant disputes whether the Opponent's evidence shows use and reputation of the Opponent's Trademark, but rather the Opponent's Logo and trade name, at best. This issue aside, the Applicant further submits that the Opponent's evidence with respect to use of the Opponent's Trademark prior to 2007 is limited, as the Third Gill Affidavit indicates that the Opponent's Registered Goods were merely exported prior to 2007, and there are no particulars provided regarding domestic sales for the years 2007 to 2013 [Applicant's written representations at para 67]. The Applicant questions the breakdown and relevance of the Opponent's evidence regarding sales and advertising, submitting that it "lacks the necessary particulars or is too insignificant to draw any inferences as to the extent [the Opponent's Trademark] has become known in Canada" [Applicant's written representations at paras 68 to 77].

[45] I agree with the Applicant that some of the evidence regarding use and reputation of the Opponent's Trademark does not clearly assist the Opponent in establishing the extent to which the Opponent's Trademark has become known in Canada. For example, I do not consider significant the testimonial from one of the Opponent's U.S. customers [First Gill Affidavit at para 17 and Exhibit E], or the Opponent's attendance at trade shows in Las Vegas [para 21 and Exhibit H].

[46] Furthermore, although Mr. Gill asserts "a strong reputation through its promotion and use of [the Opponent's Trademark] in Canada since June 1986" [First Gill Affidavit at para 15], much of the purported evidence of such is more recent, *i.e.*, signage erected in 2019 [First Gill Affidavit at para 18, Exhibit F]. One exception to this pattern is the annual youth team sponsorship dating back to 1990 [First Gill Affidavit at para 27]; however, as indicated by the Applicant, it is not clear to what extent such sponsorship (or like activities) contributed to reputation of the Opponent's Trademark in association with the relevant goods [Applicant's written representations at para 73].

[47] Nevertheless, I also note that Mr. Gill was not cross-examined on any of his three affidavits. Accordingly, I accept that sale by export of some of the Opponent's Registered Goods in association with the Mark dates back to 1986, sales of all of the Opponent's Registered

Goods to Canadian customers dates back to at least 2007, and sales of the Opponent's Unregistered Goods commenced in 2010. Accordingly, overall, while it would appear that the Applicant has had significant sales in Canada in terms of dollar value since the filing of the application for the Mark, I do not agree that "it is clear that the Applicant has evidenced a more significant reputation with respect to use of [the Mark] in Canada" [Applicant's written representations at para 77].

[48] At best for the Applicant, I do not consider this factor to significantly favour either party.

Length of Time in Use

[49] Again, although the Applicant questions whether the Opponent has evidenced use of the Opponent's Trademark at all, with respect to the Opponent's Registered Goods, I accept that the Opponent has evidenced use with various dates of first use between June 1986 and March 1997.

[50] In its written representations, the Opponent questions whether the Adams Affidavit demonstrates use of the Mark *by the Applicant* [paras 36 to 57]. However, if the Opponent desired clarity with respect to statements in the Adams Affidavit regarding control and use of the Mark by the Applicant [*e.g.*, at para 14], it had the option of cross-examining Mr. Adams. In any event, at best for the Applicant, the evidence shows that use of the Mark in association with the applied-for goods commenced in early 2018.

[51] Accordingly, this factor favours the Opponent.

Nature of the Goods or Business / Nature of the Trade

[52] In its representations, although the Opponent acknowledges that the applied-for goods differ in function from the Opponent's Registered Goods, it submits that both parties' goods are in the same sector, resulting in overlap in the parties' customers and channels of trade [paras 68, 69 and 90]. Indeed, at a minimum, both parties operate in the energy and mining industries [Adams Affidavit at para 7; First Gill Affidavit at para 4].

[53] The overlap in the nature of the parties' goods and trades is reinforced by the examples of actual confusion by customers as set out in the Opponent's evidence.

[54] As such, I agree with the Opponent that there is overlap in the nature of the parties' goods, businesses, and channels of trade to some extent.

[55] Accordingly, these factors favour the Opponent.

Degree of Resemblance

[56] In this case, the striking first portion of the Mark is identical to the Opponent's Trademark.

[57] Whether CNC is taken at face value or understood to relate to "computer numerical control", the idea suggested by the trademarks would also be the same, or at least related. In my view, and as indicated by the incidents of actual confusion, consumers could understand goods associated with the Mark to be the "flow control" goods of the Opponent.

[58] As such, there is a high degree of resemblance between the parties' trademarks in appearance, sound, and in ideas suggested. Accordingly, this important factor favours the Opponent.

Additional Surrounding Circumstance – Actual Confusion

[59] In my view, the Opponent's evidence provides adequate examples of incidents of actual confusion by customers. Although the Applicant raises issues with this evidence, none of the Opponent's affiants were cross-examined on this issue or otherwise. As stated by Mr. Germaine [Germaine Affidavit at para 6] and indicated by Mr. Gill [First Gill Affidavit at paras 42 to 44], the timing of these incidents of confusion appear to coincide with Applicant's name change and adoption of the Mark in mid-2018. While some of the alleged instances of confusion may have alternative explanations or significance (such as the Opponent receiving a shipment in summer 2018 intended for the Applicant, per the First Gill Affidavit at para 45), cumulatively, this evidence is significant. At a minimum, these instances of alleged confusion inform and reinforce the above analysis of the surrounding circumstances regarding the nature of the parties' goods and trades.

[60] Accordingly, I consider this to be a relevant surrounding circumstance that favours the Opponent.

Conclusion – Confusion with the Opponent’s Trademark

[61] Having considered all of the surrounding circumstances, I find that the Applicant has not met its legal burden with respect to the likelihood of confusion between the parties’ trademarks. I reach this conclusion due to the high degree of resemblance between the trademarks, the overlap in the nature of the parties’ goods, businesses, and channels of trade, and in view of the evidence of actual confusion in the marketplace.

[62] In view of the foregoing, the section 12(1)(d) ground of opposition based on confusion with the Opponent’s Trademark is successful.

SECTION 16 GROUND – CONFUSING WITH A PREVIOUSLY USED TRADEMARK

[63] Per section 38(2)(c) of the Act, the Opponent pleads that the Applicant is not the person entitled to registration of the Mark in view of section 16(3)(a) of the Act. In particular, the Opponent pleads that the Mark is confusing with the Opponent’s Trademark, which had been previously used and/or made known in Canada by the Opponent.

[64] In order to meet its initial burden under this ground, the Opponent was required to show that it had used its trademark in Canada prior to the priority filing date of the application for the Mark, namely January 26, 2017. Furthermore, the Opponent was required to establish non-abandonment of its trademark as of the date of advertisement of the application for the Mark, namely March 21, 2018.

[65] As discussed above, I accept that the Opponent has evidenced use of the Opponent’s Trademark in association with the Opponent’s Registered Goods since at least as early as 1997 and in association with the Opponent’s Unregistered Goods since 2010.

[66] Accordingly, the Opponent meets its evidential burden under this ground with respect to such goods. Therefore, the Applicant must establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion between the Mark and the Opponent’s Trademark.

[67] Under this ground, given the earlier material date, the surrounding circumstances differ somewhat. Overall, however, I do not consider that the balance of probabilities shifts in favour of the Applicant. Indeed, they tend to favour the Opponent to a greater degree.

[68] In particular, with respect to the extent to which the parties trademarks have become known, as the material date is prior to the Applicant's adoption of the Mark in 2018, there is no evidence of reputation or extent known in Canada of the Mark. Accordingly, the first statutory factor favours the Opponent under this ground.

[69] With respect to the nature of the parties' goods, consideration of the Opponent's Unregistered Goods under this ground increases the scope and nature of the Opponent's relevant goods and the potential for overlap. While the evidenced incidents of actual confusion post-date the material date under this ground, as noted above, they tend to reinforce the conclusions with respect to overlap in the nature of the parties' goods, businesses, and trade.

[70] Finally, with respect to the degree of resemblance, I note that even if I were to consider the Opponent's trademark at issue to be the Opponent's Logo, the striking first portion of both parties' trademarks remains identical.

[71] Having considered all of the surrounding circumstances, I find that the Applicant has not met its legal burden with respect to the likelihood of confusion between the parties' trademarks. I reach this conclusion due to all of the statutory factors favouring the Opponent under this ground, in particular the high degree of resemblance between the trademarks and the overlap in the nature of the parties' goods, businesses, and channels of trade.

[72] In view of the foregoing, the section 16 ground of opposition based on confusion with the Opponent's Trademark is also successful.

SECTION 2 GROUND – NON-DISTINCTIVENESS

[73] Per section 38(2)(d) of the Act, the Opponent pleads that the Mark is not distinctive within the meaning of section 2 of the Act, because it does not distinguish, and is not adapted to distinguish the Applicant's applied-for goods from the goods of the Opponent.

[74] The material date for this ground is the filing date of the opposition, July 20, 2018 [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[75] Section 2 of the Act, as it then was, defined “distinctive” as follows:

distinctive, in relation to a trademark, means a trademark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or is adapted so to distinguish them.

[76] A trademark “actually distinguishes” by acquiring distinctiveness through use, resulting in distinctiveness in fact. On the other hand, a trademark that is “adapted so to distinguish” is one that does not depend upon use for its distinctiveness because it is inherently distinctive [see *Astrazeneca AB v Novopharm Ltd*, 2003 FCA 57 at para 16].

[77] The initial burden is on the Opponent to prove that, as of the material date, its trademark i) was known to some extent in Canada in association with the relevant goods and ii) had a reputation in Canada that was “substantial, significant or sufficient” so as to negate the distinctiveness of the Mark [see *Bojangles’ International, LLC v Bojangles Café Ltd*, 2006 FC 657 at paras 33 and 34; and *Canadian Dental Association v Ontario Dental Assistants Association*, 2013 FC 266 at para 42, *aff’d* 2013 FCA 279]. In *Auld Phillips Ltd v Suzanne’s Inc*, 2005 FCA 429, albeit in the context of an expungement proceeding under section 57 of the Act, the Federal Court of Appeal stated that “Obviously, it will be a rare occurrence when one party is in a position to cause a mark to lose its distinctiveness, but nothing in principle prevents this result” [at para 7].

[78] In this case, as discussed above, I accept that the Opponent has evidenced that the Opponent’s Trademark was known to some extent in Canada in association with both its registered and unregistered goods. Furthermore, for purposes of meeting the Opponent’s initial burden, I accept that the evidence of actual confusion prior to the material date in particular demonstrates that the reputation of the Opponent’s Trademark was sufficient so as to negate the distinctiveness of the applied-for Mark, putting the distinctiveness of the Mark into issue.

[79] Accordingly, the legal onus is on the Applicant to establish that, as of the material date, the Mark was distinctive within the meaning of section 2 of the Act.

[80] To the extent this ground in part ultimately turns on the issue of confusion, I would come to the same conclusion as above with respect to the sections 16 and 12(1)(d) grounds, notwithstanding the July 20, 2018 material date under this ground.

[81] Accordingly, the non-distinctiveness ground of opposition is also successful.

DISPOSITION

[82] In view of all of the foregoing, pursuant to section 38(12) of the Act and the authority delegated to me under section 63(3) of the Act, I refuse the application.

Andrew Bene
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

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

HEARING DATE: 2022-07-14

APPEARANCES

Rhiannon Adams	For the Opponent
Peter Cooke	For the Applicant

AGENTS OF RECORD

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