



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 077

Date of Decision: 2023-05-09

IN THE MATTER OF AN OPPOSITION

Opponent: JTH Tax LLC

Applicant: CDSL Canada Limited

Application: 1,680,532 for LIBERTY

INTRODUCTION

[1] CDSL Canada Limited (the Applicant) is the current owner of application No. 1,680,532 (the Application) for the trademark LIBERTY (the Mark) in association with a variety of goods and services which can be generally summarized as computer software and related services for use primarily by financial institutions or in the field of financial services.

[2] JTH Tax LLC (the Opponent) opposes the registration of the Mark based on i) several technical grounds, and ii) numerous grounds based on confusion with various marks commencing with the word LIBERTY, registered or allegedly used in Canada primarily in association with tax preparation services as well as software for management of personal finances and accounting needs.

[3] For the reasons set out below, the Application is refused in part with respect to certain services and the opposition is rejected in respect of all goods and the remaining services.

THE RECORD

[4] The Application was filed on June 10, 2014 on the basis of use in Canada since 2011 for the goods (4) and services (3), (4), (5), (8) and on the basis of proposed use in Canada for the remaining goods and services (collectively, the Goods and Services), a full list of which is attached as Schedule A. The Application was advertised for opposition in the *Trademarks Journal* on February 14, 2018.

[5] On March 26, 2018, the Opponent opposed the Application by filing a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T13 as amended June 17, 2019 (the Act). Pursuant to section 70 of the Act, the grounds of opposition in this proceeding will be assessed based on the Act as it read prior to June 17, 2019.

[6] The grounds of opposition raised by the Opponent are based on sections 30(a), (b), (e), (i), 16, 12(1)(d) and 2 of the Act. These grounds may be summarized as follows:

1. The Goods and Services in the Application are not set out in ordinary commercial terms;
2. The Mark was not used with goods (4) and services (3), (4), (5), (8) as of the claimed date of first use;
3. The Application does not contain the date from which the Mark was used with goods (1), (2), (3), (5) and services (1), (2), (6), (7), (9) by the Applicant or its named predecessors-in-title;
4. The Applicant does not intend to use the Mark in association with goods (1), (2), (3), (5) and services (1), (2), (6), (7), (9);
5. The Applicant could not have been satisfied that it was entitled to use the Mark with goods (1), (2), (3), (4), (5) and services (1), (2), (3), (4), (5), (6), (7), (8), (9)
 - a. in light of the allegations set out in the statement of opposition, and;

- b. as such use is contrary to section 22 of the Act as use of the Mark is likely to depreciate the value of the goodwill attached to registered trademarks of the Opponent;
- 6. The Applicant is not the person entitled to registration of the Mark on the basis of confusion with trademarks and trade names of the Opponent that had previously been used in Canada;
- 7. The Mark is not registrable in that it is confusing with registered trademarks of the Opponent;
- 8. The Mark is not distinctive of the Applicant.

[7] All of these grounds are set out in full detail in Schedule B.

[8] On August 2, 2018, the Applicant served and filed a counterstatement denying each of the grounds of opposition.

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

(a) Rory Walters, sworn November 26, 2019 (the Walters Affidavit);

(b) Deborah Lecourt, sworn February 27, 2019 (the Lecourt Affidavit (1));
and

(c) Deborah Lecourt, sworn November 29, 2019 (the Lecourt Affidavit (2)).

[10] Neither of the Opponent's affiants were cross-examined.

[11] The Applicant filed and served notice that it would not be filing evidence in this proceeding on April 6, 2021.

[12] Only the Opponent filed written representations and requested an oral hearing.

[13] No oral hearing was ultimately held as the Opponent advised on December 22, 2022 that it no longer wished to proceed with the scheduled hearing.

EVIDENTIAL BURDEN AND LEGAL ONUS

[14] The Applicant bears the legal onus of showing that the Application complies with the provisions of the Act. However, for each ground of opposition, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support that ground of opposition exist. If this initial burden is met, then the Applicant must satisfy the Registrar, on a balance of probabilities, that the ground of opposition should not prevent registration of the trademark at issue [see *Joseph E Seagram & Sons Ltd v Seagram Real Estate Ltd* (1984), 3 CPR (3d) 325 (TMOB); *John Labatt Ltd v Molson Companies Ltd*, 1990 CanLII 11059, 30 CPR (3d) 293 (FCTD)].

OPPONENT'S EVIDENCE

The Walters Affidavit

[15] Mr. Walters, AVP of Finance of the Opponent attests to, *inter alia*, the following facts:

- (a) The Opponent is the owner of Canadian trademark registrations for the trademarks LIBERTY TAX, LIBERTY TAX SERVICE, LIBERTY TIME REPORTING, LIBERTY EXPENSE REPORTING, LIBERTY TAX REPORTING, LIBERTY TAX SERVICE and Design, LIBERTY TRAVEL REPORTING, LIBERTY EXPENSETRAX (collectively, the Opponent's Trademarks) (para 3). Full details of these registrations are set out in Schedule C.
- (b) The Opponent, through a wholly owned subsidiary, is the owner of the domain name *www.libertytaxcanada.ca* and entirely controls all content and modifications of the associated website (para 6).
- (c) The Opponent has used the trademark LIBERTY TAX in association with "Retail tax return preparation services and tax discounting services, the foregoing being provided either by itself and/or through one or more

franchised licensees” (the Opponent’s Tax Services) since at least as early as February 7, 2000 (para 7).

- (d) The Opponent uses the trademark LIBERTY TAX in advertising on various platforms including on its website, radio, direct mail, and third-party websites (para 8).
- (e) The Opponent’s revenue generated in association with its trademark LIBERTY TAX has ranged between over \$3,000,000 in 2007 to over \$10,000,000 in 2018 (para 10).
- (f) The Opponent requires each of its Canadian locations to display the trademark LIBERTY TAX in a specific layout (para 14 and Exhibit D) and requires each location to follow a particular branding guide (para 15 and Exhibit F).
- (g) The Opponent has had over 260 Canadian locations since 2007 (para 13).
- (h) The Opponent’s advertising expenditures associated with the LIBERTY TAX trademark has ranged between over \$500,000 and over \$1,000,000 between the years 2007 to 2018.
- (i) The Opponent’s branding guide is attached as Exhibit F while Exhibits G and H contain examples of third-party advertising.
- (j) Paragraphs 18 to 31 attest to the use of the Opponent’s trademarks LIBERTY TAX SERVICE, LIBERTY TIME REPORTING, LIBERTY EXPENSE REPORTING, LIBERTY TAX REPORTING, LIBERTY TAX SERVICE & Design, LIBERTY TRAVEL REPORTING and LIBERTY EXPENSE TAX along with the corresponding date of first use for each of these marks.
- (k) Paragraphs 32 to 37 describe the Opponent’s consumers as being not only individuals but also banks in Canada. A Courtesy Cheque Cashing

Agreement between Liberty Tax Service Inc., allegedly a wholly owned subsidiary of the Opponent, and Royal Bank of Canada, executed only by Liberty Tax Service Inc. is attached as Exhibit I. This agreement has an effective date of November 13, 2018 and a termination date of October 31, 2019. This aspect of the Opponent's business is described as being connected to tax preparation which allows customers to cash cheques at a bank where they do not have an account.

The Lecourt Affidavit (1)

[16] Deborah Lecourt is an assistant at the law firm representing the Opponent. Attached to her affidavit are printouts from the website *www.libertytaxcanada.ca* as well as archived printouts for the years 2009 to 2014 from this website.

The Lecourt Affidavit (2)

[17] Ms. Lecourt's second affidavit contains various printouts from the website *www.cgi.com*, some of which mention products referred to as part of "Liberty Financial Software Suite".

SECTION 30 GROUNDS OF OPPOSITION

[18] The relevant date for all section 30 grounds of opposition is the filing date of the Application [*Georgia-Pacific Corp v Scott Paper Ltd* (1984), 3 CPR (3d) 469 (TMOB) at 475].

Section 30(a)

[19] The Opponent alleges that the Application does not conform to the requirements of section 30(a) of the Act in that the Goods and Services are not set out in ordinary commercial terms. The Opponent has filed no evidence or put forth any submissions that could support the Opponent's initial evidential burden required under this ground.

[20] As the Opponent has therefore failed to meet its evidentiary burden for this ground of opposition, it is dismissed.

Section 30(b)

[21] The Opponent alleges that the Application does not conform to the requirements of section 30(b) of the Act in that the Applicant:

- i) had not used the Mark in Canada as of the dates of first use claimed in the Application for goods (4) and services (3), (4), (5) and (8); and
- ii) the Application does not contain the date from which the Applicant or its predecessor(s)-in-title used the Mark with goods (1), (2), (3), (5) and services (1), (2), (6), (7), (9).

[22] In support of part (i) of this ground, the Opponent relies on the Lecourt Affidavit (2) which contains various webpage printouts from the website *www.cgi.com* which the Opponent submits in paragraph 7.5 of its written representations is a printout of the Applicant's Solutions page from its website where the only reference to "LIBERTY" is in respect of "Liberty Financial Software Suite+". The Opponent's evidence, however, fails to establish any connection between the Applicant and the *www.cgi.com* website. In this regard, while ownership of the Application was transferred several times since the filing date of the Application, none of the transfers involved an entity named CGI and it is unclear what, if any, the connection is between the Applicant and the *www.cgi.com* website. Further, these webpages were accessed by Ms. Lecourt on November 28, 2019, which is more than 5 years after the relevant date for this ground.

[23] With respect to part (ii) of the section 30(b) ground, the Application contains the filing basis of proposed use for goods (1), (2), (3), (5) and services (1), (2), (6), (7), (9). The Opponent has provided no evidence, however, to support this claim.

[24] As the Opponent has failed to meet its evidential burden for this ground of opposition, it is rejected.

Section 30(e)

[25] The Opponent alleges that the Application does not conform to the requirements of section 30(e) of the Act, specifically that at the time the Application was filed the

Applicant, by itself or through a licensee, did not intend to use the Mark in association with goods (1), (2), (3), (5) and services (1), (2), (6), (7), (9).

[26] The Opponent has filed no evidence or put forth any submissions that could support the Opponent's initial evidential burden required under this ground.

[27] As the Opponent has failed to meet its evidentiary burden under this ground of opposition, it is dismissed.

Section 30(i)

[28] The Opponent alleges that, as of the filing date of the Application, the Applicant could not have been satisfied that it was entitled to use the Mark in association with the Goods and Services as:

- (i) "...in light of the allegations contained in the statement of opposition."; and
- (ii) use of the Mark is contrary to section 22 of the Act as use of the Mark is likely to have the effect of depreciating the value of the goodwill attached to the Opponent's Trademarks.

[29] The Opponent has not filed any evidence in support of either aspect of this ground of opposition, nor has it filed any arguments addressing this ground.

[30] As the Opponent has failed to meet its evidentiary burden under this ground, it is also dismissed.

ANALYSIS OF THE REMAINING GROUNDS OF OPPOSITION

[31] The remaining grounds of opposition are all based on whether there is a reasonable likelihood of confusion between the Mark and the Opponent's Trademarks and trade names, which had been previously used and/or made known by the Opponent (see Schedule B, paragraph (h) for a list of trade names alleged to have been previously used in Canada).

[32] The test for confusion is one of first impression and imperfect recollection in the mind of a casual consumer in somewhat of a hurry and who does not pause to give the

matter detailed consideration or scrutiny, nor closely examine the similarities and differences in the marks [*Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée*, 2006 SCC 23 at para 20]. Section 6(2) of the Act provides 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.

[33] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known (often referred to as acquired distinctiveness); (b) the length of time each has been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) the degree of resemblance between the trademarks, including in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight and degree of resemblance is often considered to be the most important of these factors but is not alone conclusive of the issue of confusion [*Mattel Inc v 3894207 Canada Inc*, 2006 SCC 22; *Veuve Clicquot*, and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27].

[34] In coming to my decision, I have considered all of the evidence and submissions made in respect of this opposition which, in all cases, were only provided by the Opponent.

Section 12(1)(d) – Registrability

[35] The relevant date for this ground of opposition is date of the Registrar's decision [*Park Avenue Furniture Corp v Wickers/Simmons Bedding Ltd*, (1991), 37 CPR (3d) 413 (FCA)].

[36] I have exercised my discretion to confirm that the registrations relied on by the Opponent remain owned by the Opponent and extant [*Quaker Oats Co Ltd of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)].

[37] In considering the issue of confusion, I will focus my discussion on the following registrations of the Opponent: LIBERTY TIME REPORTING, LIBERTY EXPENSE REPORTING, LIBERTY TAX REPORTING, LIBERTY TRAVEL REPORTING and LIBERTY EXPENSETRAX (collectively the Opponent's Reporting Marks), as I consider these registered trademarks to represent the Opponent's best chance of success under this ground. In this regard, each of these marks contain the Mark as their first component and the services in association with which these marks are registered are more closely related to those at issue than the Opponent's other trademarks relied on in the statement of opposition. Therefore, if the Mark is not confusing with these trademarks, it will not be confusing with any of the remaining trademarks relied upon by the Opponent.

Degree of Resemblance

[38] The Supreme Court of Canada has suggested in *Masterpiece* at paragraph 49, that a consideration of the resemblance between the marks is where most confusion analyses should start. If the marks do not resemble each other, it is unlikely that even a strong finding on other factors would lead to a finding that there was a likelihood of confusion.

[39] In its written arguments, the Opponent relies on *Masterpiece* for the assertion that although the first word of a mark is commonly considered to be the most important for the purposes of distinctiveness, the preferable approach when assessing degree of resemblance is to first consider whether there is an aspect of a trademark that is "particularly striking or unique".

[40] In the present case, the Opponent's Reporting Marks all commence with the word LIBERTY and the Mark is comprised solely of the word LIBERTY. While marks must be considered in their totality when assessing likelihood of confusion, it has also historically been held that the first element of a mark is the most important for the purposes of distinction [*Conde Nast Publications Inc v Union des éditions modernes* (1979), 46 CPR (2d) 183 (FCTD) at 188].

[41] I agree with the Opponent that the dominant element of all of the registered marks it relies on in the statement of opposition, with the exception of the trademark LIBERTY EXPENSETRAX (where EXPENSETRAX is a coined word and therefore also a unique component), is the word LIBERTY. As the Mark consists solely of this word, the Mark and the Opponent's Reporting Marks share the same dominant element. There is therefore a fair degree of resemblance between the parties' marks.

[42] Nevertheless, there are also some differences among the marks visually and aurally as a result of the additional words which appear in the Opponent's Reporting Marks (most of which are suggestive of the associated services). These components also result in the Opponent's Reporting Marks suggesting a different idea from that associated with the Mark.

[43] However, overall, I find that this factor favours the Opponent.

Inherent and Acquired Distinctiveness

[44] Both parties' marks share the word LIBERTY, which is not suggestive of either of their associated goods and services. All of the Opponent's Reporting Marks, however, also include words which are suggestive of their associated services. I therefore consider the Mark to possess a slightly higher degree of inherent distinctiveness than any of the Opponent's Reporting Marks.

[45] The acquired distinctiveness of a trademark refers to the extent to which it has become known in Canada. In the present case, the evidence of revenue (Walters Affidavit, para 9) and advertising expenditures (Walters Affidavit, para 10) provided by the Opponent relate exclusively to the trademark LIBERTY TAX. With respect to the Opponent's Reporting Marks, Mr. Walters states in his affidavit that the Opponent uses these trademarks on its website, brochures, promotional materials, advertisements, radio advertisements, direct mail, telephone, emails, public billboards, pay-per-click marketing, YouTube, and movie theatre advertising, amongst others (Walters, paras 21, 23, 25, 29, 31). However, while the Opponent has provided copies of its registrations for its Reporting Marks, the Opponent has not provided any evidence to corroborate the

assertions of Mr. Walters. I therefore do not find that the Opponent's Reporting Marks have become known to any extent in Canada.

[46] The Applicant did not file any evidence in this proceeding.

[47] As a result, I find that overall this factor slightly favours the Applicant based on inherent distinctiveness, as neither party is favoured with respect to acquired distinctiveness.

Length of Time the Trademarks Have Been in Use

[48] As discussed above, in the absence of any evidence of use of the Mark or the Opponent's Reporting Marks, this factor favours neither party.

Nature of the Goods/Services and Business or Trade

[49] When considering this factor in the assessment of confusion, it is the statement of services as defined in the registrations relied upon by the Opponent and the statements of goods and services in the Application that govern the assessment of the likelihood of confusion [*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)].

[50] The services associated with the Opponent's Reporting Marks are defined as "Providing use of on-line non-downloadable software to be used in the management of the **user's personal finances** and accounting needs, the results of which may be stored online for future use or downloaded to the user's computer" [emphasis added].

[51] As discussed in more detail below, while the majority of the Goods and Services are restricted by their wording in the Application as being for use by, offered by, in the field of or provided to financial institutions, services (8) in the Application are not so limited. Rather, they broadly encompass the provision of financial information generally to customers including account balances, withdrawals, account types and names and fund transfers. The full description of services (8) in the Application is as follows with the broadly worded portion of the statement underlined:

Provision of financial information, namely customer financial account balances, customer financial account withdrawals, deposits, and fund transfers, customer financial account names, and customer financial account types by electronic means, namely, the provision of such services via the internet and via mobile devices; Financial services, namely, the remote transmission of financial data and documents, namely the transmission of customer financial account names, customer financial account types, customer financial account balances, deposits, withdrawals, and funds transfers by means of the internet to and from customers of financial institutions; Electronic funds transfer, including bill payments via the Internet, tablets and mobile electronic devices; Consultancy, information and advisory services to financial institutions in the field of online financial services, namely online customer financial account origination services, customer loans and mortgage origination management services

[52] I find that the Applicant's services underlined above (the Consumer Financial Services) are closely related to the services associated with the Opponent's Reporting Marks as both statements relate to providing personal financial information to users/consumers. In this regard, the Applicant's Consumer Financial Services either explicitly state they are for consumers of financial institutions or state that the services are accessed through tablets and mobile devices which implies they are for everyday consumer use. This factor therefore favours the Opponent in respect of the Consumer Financial Services.

[53] I do not find that any of the Goods or the remaining Services of the parties overlap or bear a sufficiently close connection given the specific and distinguishable channels of trade/customers associated with the parties' marks. With the exception of the Applicant's Consumer Financial Services, the Goods and the remaining Services are clearly restricted by the wording in the Application as being for use by, offered by, in the field of or provided to financial institutions.

[54] In contrast, the Opponent's Reporting Services are clearly described in the registrations for the Opponent's Reporting Marks as being for use "in the management of personal finances" which can be accessed from the "user's computer". In my view,

there is a clear distinction between goods and services provided to consumers for personal use and those being for use by, offered by, in the field of or provided to financial institutions. This factor therefore favours the Applicant for the Goods and Services except for the Consumer Financial Services.

Surrounding Circumstances - Assertion of Family of Marks

[55] In the statement of opposition and its written arguments, the Opponent refers to its “family of LIBERTY trademarks and trade names”. It is well established that in order to rely on a family of trademarks an opponent must prove use of each trademark of the alleged family [*McDonald’s Corp v Yogi Yogurt Ltd* (1982), 66 CPR (2d) 101 (FCTD)]. In the present case, the Opponent’s evidence of use of its marks relates exclusively to the trademark LIBERTY TAX (see specifically revenue figures (Walters Affidavit, para 9) and advertising expenditures (Walters Affidavit, para 10) as well Exhibits C, D, G and H of the Walters Affidavit for examples of use at retail outlets and in advertising) as opposed to any grouping or “family” of trademarks. The Opponent’s evidence is therefore not sufficient to support the existence of a family of marks. As such, this is not a surrounding circumstance that assists the Opponent.

Conclusion

[56] The test to be applied when assessing confusion is a matter of first impression in the mind of a casual consumer “somewhat in a hurry” who sees the Applicant’s LIBERTY mark in association with the Goods and Services at a time when he or she has no more than an imperfect recollection of the Opponent’s Reporting Marks (LIBERTY TIME REPORTING, LIBERTY EXPENSE REPORTING, LIBERTY TAX REPORTING, LIBERTY TRAVEL REPORTING and LIBERTY EXPENSETRAX) and does not pause to give the matter any detailed consideration or scrutiny [see *Veuve Clicquot* at para 20].

[57] Having considered all of the surrounding circumstances, I find that, at best for the Applicant, the probability of confusion between the Mark and the Opponent’s Reporting Marks is evenly balanced between a finding of confusion and no confusion with respect to the Applicant’s Consumer Financial Services. As the onus is on the Applicant to show

on a balance of probabilities that there is no reasonable likelihood of confusion between the trademarks, I must therefore find against the Applicant in respect of the Consumer Financial Services but am of the view the Opponent has failed to meet its evidentiary burden in respect of the Goods and the remaining Services. In reaching this conclusion, I have had regard to the fact that there is a considerable degree of resemblance between the parties' marks visually and when sounded, but to a lesser degree in the ideas suggested given the descriptive word matter following the word LIBERTY in the Opponent's Reporting Marks. I have also had regard to the fact that there is a close association, and possible overlap, between the services in the registrations for the Opponent's Reporting Marks and the Applicant's Consumer Financial Services, whereas any connection between the Opponent's Reporting Services and the remainder of the Goods and Services is too remote to form the basis for a reasonable likelihood of confusion.

[58] Accordingly, the section 12(1)(d) ground of opposition is successful in respect of the Consumer Financial Services listed in services (8) in the Application but is rejected with respect to the Goods and Services other than the Consumer Financial Services.

Sections 16(1)(a) and (c) – Entitlement

[59] The Opponent has pleaded that the Applicant is not entitled to registration of the Mark in association with goods (4) and services (3), (4), (5) and (8) (all of which are based on use in Canada since 2011). The basis of this ground is that pursuant to section 16 of the Act, as of the claimed date of first use in the Application, the Mark was confusing with the Opponent's Trademarks, and/the Opponent's trade names LIBERTY, LIBERTY TAX, LIBERTY TAX CANADA, LIBERTY TAX SERVICE and LIBERTY TAX SERVICE CANADA, all of which had been previously used or made known in Canada.

[60] With respect to these grounds of opposition, there is an initial burden on the Opponent to evidence use or making known of at least one of the trademarks or trade names relied upon by the Opponent prior to the Applicant's date of first use. The Opponent must also show non-abandonment of that same trademark or trade name as of the date of advertisement of the Application (section 16(5)).

[61] Trademark use in Canada must be shown by the Opponent in association with the Opponent's goods or services pursuant to section 4(1) or 4(2) of the Act.

[62] With respect to the allegation of prior trade name use, I note that the Act defines a trade name as "the name under which any business is carried on, whether or not it is the name of a corporation, a partnership or an individual".

[63] As for assessing use of a trade name, the Act does not contain a definition of what constitutes such use. However, the topic was considered by the Federal Court in *Mr. Goodwrench Inc v General Motors Corp* (1994) 55 CPR (3d) 508 (FCTD), with Simpson J. stating:

There are no provisions in the Act which define and describe the use of a trade name. However, in his decision in *Professional Publishing Associates Ltd. v. Toronto Parent Magazine Inc.* (1986), 9 C.P.R. (3d) 207 Mr. Justice Strayer considered the problem and held that the principles in ss 2 and 4(1) of the Act apply to trade name use. In this regard, His Lordship said:

While there is no definition in the Trade Marks Act of "use" in relation to trade names, I am satisfied that consistent with the purposes of the Act such "use" would have to be in the normal course of trade and in relation to the class or classes of persons with whom such trade is to be conducted.

Accordingly, use in the normal course of trade will be the test applied in these reasons.

The Opponent's Evidence of Use

[64] Paragraphs 7 to 17 and 32 and Exhibits C to H of the Walters Affidavit contain sales revenue and advertising expenditures for the years 2007 to 2018 for the LIBERTY TAX trademark, a description and examples of how the LIBERTY TAX trademark is used at the Opponent's Liberty Tax locations and examples of the LIBERTY TAX trademark used in advertising and for promotional purposes. I am prepared to accept that the Opponent has used LIBERTY TAX as both a trademark and trade name with the Opponent's Tax Services at a minimum from use of LIBERTY TAX on external store signage [*Structure Tone Environmental Corp v STO Holdings Inc*, 2022 TMOB 73]

[65] I note that the Walters Affidavit states that the Opponent also uses the trade name Liberty Tax Service Inc. through its wholly owned subsidiary, which is not

identified. Further, Mr. Walters claims the following at paragraph 35: "All of the use outlined above, including the revenue and advertising expenditures were also in association with the trade name Liberty Tax Service, Inc. " For reasons that will be discussed below, I am not satisfied that the Opponent has shown use of this trade name.

[66] Accordingly, I am satisfied that the Opponent's evidence establishes use in Canada of the LIBERTY TAX trademark and trade name, in association with the Opponent's Tax Services prior to the material date for these grounds of opposition.

[67] Mr. Walters also states that the Opponent has used all of the Opponent's other registered trademarks since various dates on its website, brochures, promotional materials, advertisements, radio advertisements, direct mail, telephone, emails, public billboards, pay-per-click marketing, YouTube, movie theatre advertising, amongst others (Walters, para 19). However, there is no evidence to corroborate this assertion.

[68] The Opponent's evidence therefore does not establish use of any of the Opponent's other trademarks or any of its other trade names referred to in its statement of opposition. As the Opponent has not met its evidential burden with respect to any of its other trademarks or trade names, I will assess these grounds solely on the Opponent's LIBERTY TAX trademark and trade name used in association with the Opponent's Tax Services since at least 2007.

Opponent's Assertion of Services Provided to Banks

[69] Paragraphs 32 to 36 and Exhibit I of the Walters Affidavit describe an additional aspect of the Opponent's business beyond the Opponent's Tax Services, namely "providing consumer loans" which are processed by banks in Canada. The Opponent describes this aspect of its business in paragraphs 32 to 34 of the Walters Affidavit, with paragraphs 33 and 34 reading as follows:

33. Providing consumer loans is an important part of the Opponent's business, the providing of the consumer loans is always done in association with the LIBERTY TAX trademark.

34. In connection with tax preparation, the Opponent originates refund anticipations loans with the customers. At the time the Opponent prepares the customers taxes, the Opponent issues a cheque to the customer. The Opponent will then enter into Courtesy Cheque Cashing Indemnity Agreement with three Canadian banks (i.e., Royal Bank of Canada, Canadian Imperial Bank of Commerce, and Bank of Montreal) this allows customers to negotiate the cheque at one of the banks upon presentment of a Courtesy Cheque Cashing Letter. The CRA issues the customer's refund to the Opponent when it is processed.

[70] In this respect, Exhibit I of the Walters Affidavit contains a copy of a Courtesy Cheque Cashing Indemnity Agreement between Liberty Tax Service Inc. (a wholly owned subsidiary of the Opponent) and Royal Bank of Canada (RBC). The agreement is dated November 13, 2018 and contains a termination date of October 31, 2019, however the agreement in evidence is not executed by RBC. It is therefore not clear that this agreement or any other such agreement was ever in effect. In any event, the date of the agreement in Exhibit I post-dates the material date for this ground and the Walters Affidavit is silent as to when the Opponent commenced engaging in cheque cashing indemnity services with banks in Canada.

[71] I therefore do not find that the evidence relating to the Opponent's alleged business dealings with Canadian banks establishes actual use of the Opponent's LIBERTY TAX trademark or Liberty Tax Service Inc. trade name prior to the material date.

Assessment of Confusion

Degree of Resemblance

[72] As with the Opponent's Reporting Marks discussed above, I find that the word LIBERTY is the dominant element of the Mark and the Opponent's LIBERTY TAX trademark and trade name, as I consider the word "tax" to be clearly suggestive of the Opponent's tax related services. The resemblance between LIBERTY TAX and LIBERTY in appearance and sound is slightly higher than between the Mark and the

Opponent's Reporting Marks, if only due to the fact that LIBERTY TAX is comprised of just two words, and the word TAX is a short three letter word.

[73] The ideas suggested by LIBERTY and LIBERTY TAX are different, however, as the presence of the word TAX in the Opponent's LIBERTY TAX trademark is clearly suggestive of tax-related services whereas LIBERTY on its own is arguably suggestive of a certain level of freedom when used in association with the Applicant's Goods and Services.

[74] Overall, I find this factor therefore favours the Opponent.

Inherent and Acquired Distinctiveness

[75] Again, both the Opponent's LIBERTY TAX trademark and trade name and the Mark share the word LIBERTY which is not particularly suggestive of either of their associated goods or services. However, since the Opponent's LIBERTY TAX trademark and trade name are suggestive of the Opponent's Tax Services, I consider the Mark to possess a slightly higher degree of inherent distinctiveness.

[76] The acquired distinctiveness of a mark refers to the extent to which it has become known in Canada. The Opponent's evidence demonstrates use of the LIBERTY TAX trademark for the years 2007 to 2018 through significant revenue figures and advertising expenditures as well as representative examples of use (see the Walters Affidavit, paras 7 to 17 and Exhibits C to H) in association with the LIBERTY TAX Services. I am therefore satisfied the evidence establishes that the Opponent's LIBERTY TAX trademark and trade name have become known to a considerable extent in Canada.

[77] As the Applicant did not file any evidence of use of the Mark in Canada, this factor favours the Opponent.

Length of Time the Trademarks Have Been in Use

[78] The Opponent has provided evidence of use of its LIBERTY TAX trademark and trade name in association with the LIBERTY TAX Services as described above for the

years 2007 to 2018. As no evidence of use was filed by the Applicant, this factor favours the Opponent.

Nature of the Goods/Services and Business or Trade

[79] While the Goods and Services in the Application and the LIBERTY TAX Services are, in a general sense, both financial services, for the following reasons I find that the services offered by each party are distinguishable and are directed towards distinct customer groups.

[80] Although the Applicant did not file evidence in this proceeding, the detailed statements of Goods and Services in the Application make it clear that, with the exception of the Consumer Financial Services in services (8), the Goods and Services are specifically provided to or for use by financial institutions. The statements of Goods and Services (excluding the Consumer Financial Services) are all defined as being *for use by, offered by, in the field of or provided to financial institutions* and also contain detailed descriptions of the type of financial information to which the Goods and Services apply, for example, general consumer financial information such as account information, portfolio management, account withdrawals, deposits and fund transfers, and mortgages and loans (emphasis added). Most importantly, none of the Goods and Services refer to or clearly relate to tax preparation or tax-related goods or services. In contrast, the Opponent's Tax Services are clearly defined and described in the evidence as being for "retail" sale and are limited to tax return preparation services and tax discounting services (Walters Affidavit, para 7).

[81] In my view, there is no overlap, nor sufficiently close relationship, between the Applicant's Goods and Services (excluding the Consumer Financial Services discussed in detail below) and the Opponent's Tax Services for this factor to favour the Opponent due to the differences in the services themselves as well as the distinction between the identified consumers.

[82] With respect to the Consumer Financial Services in services (8) in the Application, while the wording of these services in the Application does not limit the channel of trade to being for financial institutions, the statement does list in detail the

nature of the financial information being provided to what I would refer to as “everyday consumer financial services” (i.e. account balances, withdrawals, deposits, account names and the like) and does not contain any reference to any tax preparation or discounting services or any other tax-related services. As with the Good and Services considered in the preceding paragraph, I also do not find that the Opponent is favoured by this factor in respect of the Consumer Financial Services. I note that this finding differs from the finding in respect of the Consumer Financial Services under the section 12(1)(d) confusion assessment above. This is due to the fact that it is the Opponent’s evidence of actual use of its trademarks contained in the evidence on record that is considered under the current ground (which I have concluded evidences actual use of the LIBERTY TAX trademark and trade name in association with the Opponent’s Tax Services) as opposed to the broader statement of services contained in the registrations considered in the section 12(1)(d) assessment.

[83] In light of the distinguishable goods and services of the parties and the different and distinct consumers of the parties, namely the Applicant’s Goods and Services provided to financial institutions relating to general consumer financial information with no clear association to taxes or tax preparation as opposed to the Opponent’s narrowly defined Tax Services that are limited to tax preparation and tax discounting services specifically in the retail sector, I find that this factor favours the Applicant for all Goods and Services.

Conclusion

[84] Ultimately, the test to be applied is whether a casual Canadian consumer, having an imperfect recollection of the Opponent’s LIBERTY TAX trademark or trade name associated with retail tax preparation and discounting services, when they see the Applicant’s trademark LIBERTY in association with the Goods and Services, would think that the Goods and Services come from the same source as the LIBERTY TAX trademark or trade name. In view of my conclusions above, and particularly in view of the distinguishable goods, services and consumers of the parties, I find that they would not. As the Applicant has satisfied its legal burden to show that there is no reasonable

likelihood of confusion between the parties' trademarks, I reject both of the section 16 grounds of opposition.

Section 2 - Distinctiveness

[85] The relevant date for this ground is the filing date of the opposition [*Metro-Goldwyn-Mayer Inc v Stargate Connections Inc*, 2004 FC 1185].

[86] In order to meet its burden in respect of this ground, the Opponent must show that the reputation of its trademark(s) and/or trade name(s) prevents the Applicant's Mark from being distinctive and the required level of use must be "substantial, significant" or "sufficient reputation" in association with the relevant goods and services as of the material date, being March 26, 2018 in the present case [*Hilton Worldwide Holding LLP v Solterra (Hastings) Limited Partnership*, 2019 TMOB 133 citing *Bojangles' International, LLC v Bojangles Café Ltd.* 2006 FC 657]

[87] I am satisfied the Opponent has provided sufficient evidence of use of the LIBERTY TAX trademark and trade name, including revenue and advertising figures for the years 2007 to 2018, examples of how LIBERTY TAX is used on store signage and on its website, and examples of advertising using LIBERTY TAX trademark and trade name, to meet its evidentiary burden for this ground of opposition.

[88] However, determination of this ground also rests upon the assessment of the likelihood of confusion between the marks at issue [*Hilton*]. As the different relevant date for this ground does not materially affect my assessment of confusion as set out above for the section 16 grounds, this ground of opposition is also rejected.

Disposition

[89] In view of the above, and pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the Application in respect of the services shown in ~~striketrough~~ text below and reject the opposition in respect of all the goods and remaining services pursuant to section 38(12) of the Act:

Services

(8) ~~Provision of financial information, namely customer financial account balances, customer financial account withdrawals, deposits, and fund transfers, customer financial account names, and customer financial account types by electronic means, namely, the provision of such services via the internet and via mobile devices; Financial services, namely, the remote transmission of financial data and documents, namely the transmission of customer financial account names, customer financial account types, customer financial account balances, deposits, withdrawals, and funds transfers by means of the internet to and from customers of financial institutions; Electronic funds transfer, including bill payments via the Internet, tablets and mobile electronic devices; Consultancy, information and advisory services to financial institutions in the field of online financial services, namely online customer financial account origination services, customer loans and mortgage origination management services~~

Leigh Walters
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

SCHEDULE A- LIBERTY – APPLICATION No.1,680,532

Goods

(1) Computer software namely, a suite of software applications for use by financial institutions for customer account origination, customer account management, customer relationship management, financial profiling, customer risk management, customer portfolio management, customer communications management, customer financial data management, customer loans and mortgage origination management, database management, data warehousing and storage of electronic and financial documents for financial institutions

(2) Computer software namely computer software for use by financial institutions that automates mortgage and loan origination, financial institution process work-flow, automated decision-making, document management for implementing automated mortgage and loan files processing, scoring and assessment of loan applications, management and reporting of loan applications

(3) Computer software for financial institutions namely, computer software to enable financial institutions to provide financial services to customers namely, customer account access, customer account maintenance, customer financial transactions, presentation of financial products offered by financial institutions to customers and work flow and processes relating to the aforementioned financial services

(4) Computer software namely computer software to enable financial institutions to provide internet banking services to their customers

(5) Computer software, namely computer software for use by financial institutions or financial intermediaries to present and obtain financial information, namely, customer account balances, customer account withdrawals, deposits, funds transfers, customer account names, and customer account types, and to execute financial transactions with customers

Services

(1) Software as a service (SAAS) provider in the field of mortgage and loan origination, namely, a software service provided to financial institutions that automates file processing, mortgages and loan documentation and management reporting for customers of financial institution

(2) Application service provider (ASP) services, namely hosting computer software applications for others in the field of financial services, namely customer account access, customer account maintenance, presentation of financial products offered by financial institutions to customers, and work flow and processes relating to the aforementioned financial services

(3) Computer software development and programming for financial institutions

- (4) Installation, maintenance and repair of software used by financial institutions
- (5) Provision of electronic means for financial transactions, namely internet-based software for processing financial transactions, namely customer account access, customer account maintenance, presentation of financial products offered by financial institutions to customers, and work flow and processes relating to the aforementioned financial services
- (6) Provision of information between financial institutions and life insurance providers relating to credit insurance information for customers of a financial institution and provision of information between financial institutions and consumer credit rating or scoring agencies relating to credit rating or credit scores for customers of financial institutions
- (7) Provision of new account application processes to third party financial institutions for chequing, savings, term deposits, and other financial accounts, namely registered investment accounts, registered savings accounts, share accounts, special savings accounts, special chequing accounts, loan accounts, and lines of credit
- (8) Provision of financial information, namely customer financial account balances, customer financial account withdrawals, deposits, and fund transfers, customer financial account names, and customer financial account types by electronic means, namely, the provision of such services via the internet and via mobile devices; Financial services, namely, the remote transmission of financial data and documents, namely the transmission of customer financial account names, customer financial account types, customer financial account balances, deposits, withdrawals, and funds transfers by means of the internet to and from customers of financial institutions; Electronic funds transfer, including bill payments via the Internet, tablets and mobile electronic devices; Consultancy, information and advisory services to financial institutions in the field of online financial services, namely online customer financial account origination services, customer loans and mortgage origination management services
- (9) Software as a service (SAAS) provider to enable financial institutions to provide financial services to their customers by means of the internet; Computerized database management services for financial institutions; Financial transaction processing services for financial institutions, namely customer financial account origination, customer financial account management, customer loans and mortgage origination management

SCHEDULE B – FULL GROUNDS OF OPPOSITION

- a) The Application does not comply with the requirements of section 30 of the Act in that the Application does not include a statement in ordinary commercial terms of the specific goods and services in association with which the Mark has been alleged to have been used or is proposed to be used;
- b) The Application does not comply with the requirements of section 30(b) of the Act in that the Mark was not used in Canada by the Applicant in association with goods (4) or services (3), (4), (5) (8) since 2011;
- c) The Application does not comply with the requirements of section 30(b) of the Act in that the Application does not contain the date from which the Applicant or its named predecessors-in-title, if any, have used the Mark in association with the goods (1), (2), (3), (5) and services (1), (2), (6), (7), (9);
- d) The Application does not comply with the requirements of section 30(e) of the Act in that the Applicant, by itself or through licensee, does not intend to use the Mark in association with the goods (1), (2), (3), (5) and services (1), (2), (6), (7), (9);
- e) The Application does not comply with the requirements of section 30(i) of the Act in that the Applicant could not have been satisfied it was entitled to use the mark in association with the goods (1), (2), (3), (4), (5) and the services (1), (2), (3), (4), (5), (6), (7), (8), (9), in light of the allegations contained in the statement of opposition;
- f) The Application does not comply with the requirements of section 30(i) of the Act in that the Applicant could not have been satisfied it was entitled to use the Mark in association with the goods (1), (2), (3), (4), (5) and the services (1), (2), (3), (4), (5), (6), (7), (8), (9). In particular, the use of the Mark is contrary to section 22 of the Act and use of the Mark is likely to have the effect of depreciating the value of the goodwill

attached to the following registered trademarks, both individually and as a family:

- 1) LIBERTY TAX, Registration No. TMA559,500;
- 2) LIBERTY TAX SERVICE, Registration No. TMA524,820;
- 3) LIBERTY TIME REPORTING, Registration No. TMA787,190;
- 4) LIBERTY EXPENSE REPORTING, Registration No. TMA787,189;
- 5) LIBERTY TAX REPORTING, Registration No. TMA787,194;
- 6) LIBERTY TAX SERVICE and Design, Registration No. TMA559,502;
- 7) LIBERTY TRAVEL REPORTING; Registration No. TMA787,191; and
- 8) LIBERTY EXPENSETRAX, Registration No. TMA787,192;

g) The Applicant is not the person entitled to the registration having regard to section 16 of the Act in that, as of the claimed date of first use for the goods (4) and services (3), (4), (5) and (8), the Mark was confusing with the following trademarks that had been previously used in Canada and made known in Canada by the Opponent, both individually and as a family:

- 1) LIBERTY TAX;
- 2) LIBERTY TAX SERVICE;
- 3) LIBERTY TIME REPORTING;
- 4) LIBERTY EXPENSE REPORTING;
- 5) LIBERTY TAX REPORTING;
- 6) LIBERTY TAX SERVICE and Design;
- 7) LIBERTY TRAVEL REPORTING; and
- 8) LIBERTY EXPENSETRAX;

h) The Applicant is not the person entitled to the registration having regard to section 16 of the Act in that as of the claimed date of first use for goods (4) and services (3), (4), (5) and (8), the Mark was confusing with the trade names that had been previously used in Canada and made known in Canada by the Opponent, namely:

- 1) LIBERTY
- 2) LIBERTY TAX
- 3) LIBERTY TAX CANADA;
- 4) LIBERTY TAX SERVICE; and
- 5) LIBERTY TAX SERVICE CANADA;

i) The Applicant is not the person entitled to the registration having regard to section 16 of the Act in that, as of the filing date of the Application for the goods (4) and services (3), (4), (5) and (8), the Mark was confusing with the following trademarks that had been previously used in Canada and made known in Canada by the Opponent, both individually and as a family:

- 1) LIBERTY TAX;
- 2) LIBERTY TAX SERVICE;
- 3) LIBERTY TIME REPORTING;
- 4) LIBERTY EXPENSE REPORTING;
- 5) LIBERTY TAX REPORTING;
- 6) LIBERTY TAX SERVICE and Design;
- 7) LIBERTY TRAVEL REPORTING; and
- 8) LIBERTY EXPENSETRAX;

j) The Applicant is not the person entitled to the registration having regard to section 16 of the Act in that as of the filing date of the Application for the goods (4) and services (3), (4), (5) and (8), the Mark was confusing with the trade names that had been previously used in Canada and made known in Canada by the Opponent, namely:

- 1) LIBERTY
- 2) LIBERTY TAX
- 3) LIBERTY TAX CANADA;
- 4) LIBERTY TAX SERVICE; and
- 5) LIBERTY TAX SERVICE CANADA;


k) The Mark is not registerable having regard to section 12(l)(d) of the Act in that it is confusing with the following registered trademarks, both individually and as a family, owned by the Opponent:

- 1) LIBERTY TAX, Registration No. TMA559,500;
- 2) LIBERTY TAX SERVICE, Registration No. TMA524,820;
- 3) LIBERTY TIME REPORTING, Registration No. TMA787,190;
- 4) LIBERTY EXPENSE REPORTING, Registration No. TMA787, 189;
- 5) LIBERTY TAX REPORTING, Registration No. TMA787,194;
- 6) LIBERTY TAX SERVICE and Design, Registration No. TMA559,502;
- 7) LIBERTY TRAVEL REPORTING; Registration No. TMA787,191; and
- 8) LIBERTY EXPENSETRAX, Registration No. TMA787,192;

l) The Mark is not distinctive of the Applicant having a regard to section 2 of the Act in that the Mark does not, and is not adapted to, distinguish the goods and services from the goods and services of others at least because of the trademarks and trade names of the Opponent listed above.

SCHEDULE C – THE OPPONENT’S REGISTRATIONS

Trademark	Reg. No.	Services	Date of First Use
LIBERTY TAX	TMA559500	Retail tax return preparation services and tax discounting services, the foregoing being provided either by itself and/or through one or more franchised licensees	Used in CANADA since at least as early as February 07, 2000
LIBERTY TAX SERVICE	TMA524820	Retail tax return preparation services provided either by itself and/or through one or more franchised licensees, education services namely tax preparation courses delivered in a classroom setting or by correspondence course, provided either by itself and/or through one or more franchised licensees	Declaration of Use filed January 24, 2000
LIBERTY TIME REPORTING	TMA787190	Providing use of on-line non-downloadable software to be used in the management of the user's personal finances and accounting needs, the results of which may be stored online for future use or downloaded to the user's computer	Used in CANADA since March 09, 2010
LIBERTY EXPENSE REPORTING	TMA787189	Providing use of on-line non-downloadable software to be used in the management of the user's personal finances and accounting needs, the results of which may be stored online for future use or downloaded to the user's computer.	Used in CANADA since March 09, 2010
LIBERTY TAX REPORTING	TMA787194	Providing use of on-line non-downloadable software to be used in the management of the user's personal finances and accounting needs, the results of which may be stored online for future use or downloaded to the user's computer	Used in CANADA since March 10, 2010

 LIBERTY TAX SERVICE	TMA559502	<p>(1) Retail tax return preparation services and tax discounting services, the foregoing being provided either by itself and/or through one or more franchised licensees.</p> <p>(2) Education services namely tax preparation courses delivered in a classroom setting or by correspondence course, provided either by itself and/or through one or more franchised licensees.</p>	Used in CANADA since at least as early as February 07, 1999
LIBERTY TRAVEL REPORTING	TMA787191	Providing use of on-line non-downloadable software to be used in the management of the user's personal finances and accounting needs, the results of which may be stored online for future use or downloaded to the user's computer	Used in CANADA since March 09, 2010
LIBERTY EXPENSETRAX	TMA787192	Providing use of on-line non-downloadable software to be used in the management of the user's personal finances and accounting needs, the results of which may be stored online for future use or downloaded to the user's computer	Used in CANADA since at least as early as March 09, 2010

Appearances and Agents of Record

HEARING DATE: No hearing held

AGENTS OF RECORD

For the Opponent: Alexander Holburn Beaudin + Lang LLP

For the Applicant: Riches, Mckenzie & Herbert LLP