



Canadian Intellectual Property Office

THE REGISTRAR OF TRADEMARKS

Citation: 2023 TMOB 122

Date of Decision: 2023-07-20

IN THE MATTER OF AN OPPOSITION

Opponent: Aerus Concepts, L.P.

Applicant: Ariston S.P.A.

Application: 1,908,071 for AURES

INTRODUCTION

[1] Ariston S.p.A. (formerly Ariston Thermo S.p.A.) has applied to register the trademark AURES (the Mark), applied for in association with the following goods (the Goods):

Goods (Nice class & Statement)

11 (1) Water heaters, central heating boilers, gas central heating boilers, heat pumps, solar heating panels, solar thermal collectors, solar water heaters, water boilers, heating boilers, air conditioners

[2] Aerus Concepts, L.P. (the Opponent) opposes registration of the Mark. The opposition is based primarily on allegations that Mark is confusing with two trademarks registered by the Opponent, including AERUS, Registration No. TMA665,006, and

AERUS & DESIGN, Registration No. TMA669,070 (collectively, the Opponent's Marks). Both of these trademarks are registered in association with the goods and services listed below (the Opponent's Goods and Services):

Goods (Nice class & Statement)

- 3 (1) Waxes, polishes, and shampoos for floors and rugs, floor buffing compounds, all-purpose cleaning preparations.
- 5 (2) Air fresheners, air deodorants, and all purpose disinfectants.
- 7 (3) Vacuum cleaners, floor washing machines, floor polishing machines, rug and carpet shampooing machines, and parts for the foregoing; brushes for vacuum cleaners.
- 11 (4) Air purifiers for commercial, industrial, and domestic use, water purification units, dispensing units for room deodorants, air filters for domestic use, household air cleaners; electric light bulbs.

Services (Nice class & Statement)

- 37 (1) Maintenance and/or repair of vacuum cleaners, floor washing machines, floor polishing machines, and carpet and rug shampooing machines, cleaning services for carpets, rugs, textiles, and air ducts.

[3] For the reasons that follow, the application is refused.

THE RECORD

[4] The application was filed on July 6, 2018, based on use and registration in Italy on December 28, 2016. The application was advertised for opposition purposes in the *Trademarks Journal* on November 25, 2020. On May 25, 2021, the Opponent opposed the application by filing a statement of opposition under section 38 of the *Trademarks Act*, RSC 1985, c T-13 (the Act). I note that the Act was amended on June 17, 2019. As the application in this case was advertised after June 17, 2019, the Act as amended applies (see section 69.1 of the Act).

[5] The grounds of opposition are summarized below:

- Contrary to sections 38(2)(b) and 12(1)(d) of the Act, the Mark is not registrable because it is confusing with the Opponent's Marks.
- Contrary to sections 38(2)(c) and 16(1)(a) of the Act, the Applicant is not entitled to registration of the Mark in Canada because, at the time of the filing date of the application, the Mark was confusing with one or both of the Opponent's Marks which had been previously used and/or made known in Canada and which had not been abandoned as of the date of advertisement of the Application.
- Contrary to sections 38(2)(c) and 16(1)(c) of the Act, the Applicant is not entitled to registration of the Mark in Canada because, at the time of the filing date of the application, the Mark was confusing with one or both of the trade names AERUS and AERUS CONCEPTS (the Aerus Trade Names) that had been previously used in Canada by the Opponent in association with the Opponent's Goods and Services and which had not been abandoned as of the date of advertisement of the Application.
- Contrary to sections 38(2)(d) and 2 of the Act, the Mark is not distinctive of the Applicant because it does not distinguish, nor is it adapted to distinguish, the Goods from the Opponent's Goods and Services and/or business in view of the prior registration, use and/or making known in Canada by the Opponent of the confusingly similar Opponent's Marks and Aerus Trade Names in association with the Opponent's Goods and Services.
- Contrary to section 38(2)(e) of the Act, at the filing date of the application in Canada, the Applicant was not using and did not propose to use the Mark in Canada in association with the Goods.
- Contrary to section 38(2)(f) of the Act, at the filing date of the application, the Applicant was not entitled to use the Mark in Canada in association with the Goods because such use would be contrary to sections 7(b), 19, 20, and 22 of the Act and the common law tort of passing off.

[6] On July 20, 2021, the Applicant served and filed a counter statement denying each of the grounds of opposition. Only the Opponent filed evidence, which is discussed

below. No cross examinations were conducted with respect to any evidence filed in this proceeding.

[7] Both parties also filed written representations. An oral hearing was held on June 19, 2023. Only the Opponent had requested an oral hearing within the deadline prescribed by section 58(1) of the *Trademarks Regulations*, SOR/2018-227 (the Regulations); however, on June 16, 2023, the Applicant requested a retroactive extension of time pursuant to section 47(2) of the Act to attend and make representations at the hearing, on the grounds that counsel for the Applicant had only recently received instructions regarding the hearing. On the same day, the Opponent opposed this request for a retroactive extension of time. In response, the Applicant made submissions in support of the retroactive extension of time being granted.

[8] At the hearing, I granted the Applicant's request for a retroactive extension of time for the reasons cited in its request and based on the principle of fundamental justice of the right to be heard. I informed the Opponent that the only parties to a request for an extension of time are the Registrar and the party making the request [*Wordex Inc v Wordex* (1982), 70 CPR (2d) 28 (FCTD) at para 42]. After this request was granted at the hearing, the Opponent requested reconsideration of the decision to grant the retroactive extension. I indicated that my decision to grant the section 47(2) request would be maintained on reconsideration.

[9] In any event, I note that the Applicant's submissions at the hearing were very brief and only referred to certain factors relating to the test for confusion, as discussed below.

EVIDENCE

[10] As its evidence in this proceeding, the Opponent filed the affidavit of Kevin Hickey, President and Chief Operating Officer of Aerus LLC, the general partner of the Opponent, sworn February 18, 2022. He states that the Opponent operates as a holding company for certain intellectual property that is material to the Aerus business as a whole, including the Opponent's Marks, which are licenced as needed to affiliated

companies, including Aerus LLC, as well as third party franchisees. He explains that the core of the Aerus business is the manufacture and sale of the Opponent's Goods through brick and mortar locations in the United States, Canada, and elsewhere, and performing the Opponent's Services of using, maintaining, and repairing the Opponent's Goods for customers. He explains that Aerus Canada, Inc. (Aerus Canada), an affiliate company of the Opponent and Aerus LLC, conducts all franchising business in Canada and uses the Opponent's Marks under licence.

[11] Mr. Hickey's affidavit includes the following exhibits:

- Exhibits A-1 and A-2: registration details for the Opponent's Marks.
- Exhibit B: images of goods displaying the Opponent's AERUS & DESIGN trademark, which Mr. Hickey states are representative of how the Opponent's Marks have been displayed on the Opponent's Goods in Canada. Because this design mark consists of the word "AERUS" set inside an elliptical background, I am satisfied that any display of the AERUS & DESIGN trademark would also amount to display of the Opponent's AERUS word mark.
- Exhibit C: a list of Aerus franchisees in Canada as of the date of the affidavit, showing over sixty locations across Canada.
- Exhibits D, E, F, and G: copies of invoices, sales agreements, and commercial forms showing sales of the Opponent's Goods from Aerus Canada to franchisees and from franchisees to customers in Canada, and performance of the Opponent's Services to customers in Canada. The Opponent's Marks are displayed in the letterhead of these documents; Mr. Hickey explains that these are representative of how the Opponent's Marks have been displayed on such documents at all material times. I note that the documents are dated as early as 2004.
- Exhibits H-1, H-2, and I: images of the Opponent's Marks displayed at the exterior and interior of storefronts in Canada.
- Exhibits J-1, J-2, and K: screenshots from franchisee websites displaying the Opponent's Marks and advertising the Opponent's Goods and Services.

- Exhibit L: a representative sample of brochures advertising the Opponent's Goods and displaying the Opponent's Marks, which Mr. Hickey explains are electronically accessible from franchisee websites and physically accessible at brick-and-mortar locations and from sales representatives.
- Exhibits M, N, O, and P: media materials dated 2020 to 2022 relating to the Opponent's Goods.

[12] In addition, Mr. Hickey provides sales figures for the years 2004 through 2022 for the Opponent's Goods and Services in association with the Opponent's Marks. Between 2004 and 2022, the total sales values ranged from \$3 million to over \$13 million.

ANALYSIS

Ground of Opposition: Section 12(1)(d)

[13] The Opponent alleges that contrary to section 12(1)(d) of the Act, the Mark is not registrable as it is confusing with the Opponent's Marks. I have exercised my discretion to check the register and confirm that these registrations remain extant [see *Quaker Oats Co of Canada v Menu Foods Ltd* (1986), 11 CPR (3d) 410 (TMOB)]. The Opponent has therefore met its initial evidential burden for the section 12(1)(d) ground of opposition.

[14] Since the Opponent has discharged its evidentiary burden regarding this ground of opposition, I must assess whether the Applicant has discharged its legal onus to prove, on balance of probabilities, that there is no confusion between the Applicant's Mark and the aforementioned registrations of the Opponent. 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), 37 CPR (3d) 413 (FCA)].

[15] In applying the test for confusion, the Registrar must have regard to all the surrounding circumstances, including those specifically enumerated in section 6(5) of the Act, namely: (a) the inherent distinctiveness of the trademarks and the extent to which they have become known; (b) the length of time each has been in use; (c) the nature of the goods, services or business; (d) the nature of the trade; and (e) the degree

of resemblance between the trademarks in appearance or sound or in the ideas suggested by them. These enumerated factors need not be attributed equal weight [see, in general, *Mattel USA Inc v 3894207 Canada Inc*, 2006 SCC 22, and *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 (*Masterpiece*)]. Moreover, in *Masterpiece*, the Supreme Court stated that the degree of resemblance between the trademarks is often likely to have the greatest effect on the confusion analysis.

[16] Finally, section 6(2) of the Act does not concern confusion of the trademarks themselves, but confusion regarding goods or services from one source as being from another source. In this case, the question posed by section 6(2) is whether there would be confusion regarding the goods and services sold under the Mark such that they would be thought to have emanated from the Opponent.

[17] For ease of reference in conducting the confusion analysis, I will focus on the Opponent's word mark AERUS, Registration No. TMA665,006 (the AERUS Mark), as in my view it represents the Opponent's best case with respect to the issue of confusion.

Inherent and acquired distinctiveness

[18] A trademark is not inherently distinctive if it is suggestive of a characteristic of the associated goods or services, whether through descriptive language or laudatory epithets. By contrast, a coined or invented word will possess greater inherent distinctiveness [*Boston Pizza International Inc v Boston Chicken Inc*, 2003 FCA 120 at para 6].

[19] The Opponent submits that the AERUS Mark has a high degree of inherent distinctiveness as it is a coined word. While AERUS itself may be a coined word, I note that it is visually and phonetically similar to the word "air", and is therefore suggestive to a limited degree of the Opponent's air freshener, vacuum cleaner, and air purifier goods. By contrast, the Mark appears to be a coined word that is not suggestive of the Goods.

[20] The distinctiveness of a trademark can be increased through its use and promotion in Canada [see *Sarah Coventry Inc v Abrahamian* (1984), 1 CPR (3d) 238

(FCTD); *GSW Ltd v Great West Steel Industries Ltd* (1975), 22 CPR (2d) 154 (FCTD)].

The Opponent submits that the AERUS Mark has become distinctive of the Opponent due to nearly two decades of use in Canada identifying the Opponent and/or its affiliated companies, such that the Opponent was already well-known in Canada prior to the filing date of the application. By contrast, the Opponent notes that the Applicant has filed no evidence in this proceeding.

[21] While not raised by the Applicant, I note that Mr. Hickey does not explicitly state that the Opponent controlled the character and quality of the goods and services provided by the Opponent's licensees and franchisees, nor does he provide a copy of any such licence. In this respect, it is well established that the mere fact that a registrant and a licensee are related companies is insufficient to establish that control under licence pursuant to section 50 exists [see *MCI Communications Corp v MCI Multinet Communications Inc* (1995), 61 CPR (3d) 245 (TMOB) and *Dynatech Automation Systems Inc v Dynatech Corp* (1995), 64 CPR (3d) 101 (TMOB)]. In this case, however, Mr. Hickey attests that the Opponent is an intellectual property holding company whose "general partner", Aerus LLC, manufactures the Opponent's Goods and sells them under licence through a chain of distributors including Aerus Canada and local franchisees.

[22] In addition, section 50(2) of the Act provides that where public notice is given (i) that the use of a trademark is licensed and (ii) of the owner's identity, then controlled licensing in the manner described in section 50(1) of the Act shall be presumed unless the contrary is proven. In this case, the promotional brochures attached as Exhibit L, which Mr. Hickey states "are electronically accessible and distributed on AERUS Franchisees' websites" and "may also be distributed at brick-and-mortar store locations and to Canadian customers by sales representatives", include the language "Aerus and all derivative forms are trademarks of Aerus Concepts, L.P." While this statement does not explicitly refer to the existence of a licence, the Registrar has found that public notice pursuant to section 50(2) is given where a trademark's owner is identified in this manner, even in the absence of a statement regarding use under licence [see, for example, *Dura Undercushions Ltd v BASF Corporation* (1997), 83 CPR (3d) 88 (TMOB)]

at para 12; *Crossworld Software Inc, Re* (2001), 17 CPR (4th) 395 (TMOB) at para 15; *Bedessee Imports Ltd v Procter & Gamble Health Ltd*, 2022 TMOB 207 at paras 24-27]. Moreover, it has been established that public notice can be given through advertising, publications, and through a party's website [see *SeaMiles LLC v Air Miles International Trading BV*, 2009 CanLII 82157 (TMOB) at paras 19-25; *Air Miles International Trading BV v TaxiMiles Inc*, 2010 TMOB 62 at paras 30-32].

[23] In any event, I note that it was open to the Applicant to raise this issue and to cross-examine Mr. Hickey, which it chose not to do. In view of all of the above, I am satisfied that any use of the Opponent's Marks by Aerus LLC would enure to the Opponent.

[24] Thus, I concur with the Opponent that the AERUS Mark has a much higher degree of acquired distinctiveness than the Mark based on the Opponent's evidence of extensive use of its trademark in Canada since 2004. As such, despite the slightly higher degree of inherent distinctiveness of the Mark, I find that, overall, this factor favours the Opponent.

Length of time in use

[25] The Opponent submits, and I agree, that the AERUS Mark has been use in Canada since at least 2004 and has been registered since 2006, while the Applicant has submitted no evidence of use of the Mark in Canada. Accordingly, this factor favours the Opponent.

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

[26] When considering sections 6(5)(c) and (d) of the Act, it is the statement of goods and services as defined in the registration relied upon by the Opponent and the statement of goods in the application for the Mark that governs the assessment of the likelihood of confusion under section 12(1)(d) of the Act [*Henkel Kommanditgesellschaft auf Aktien v Super Dragon Import Export Inc* (1986), 12 CPR (3d) 110 (FCA); *Mr Submarine Ltd v Amandista Investments Ltd* (1987), 19 CPR (3d) 3 (FCA)]. However, as each statement must be read with a view to determining the probable type of

business intended, evidence of the parties' actual trades is useful [see *Triangle Tyre Co, Ltd v Gestion André Touchette inc*, 2019 FC 220; *McDonald's Corp v Coffee Hut Stores Ltd*, 1996 CanLII 3963 (FCA); *McDonald's Corp v Silcorp Ltd* (1989), 55 CPR (2d) 207 (FCTD), aff'd (1992), 41 CPR (3d) 67 (FCA)].

[27] The Opponent submits that both the Applicant's Goods and certain of the Opponent's Goods (particularly its air purifier and water purification unit goods) relate to controlling the conditions of air and water, and the Applicant has provided no evidence that would provide the Registrar with a basis upon which to distinguish the Opponent's Goods and the Applicant's Goods. As such, the Opponent submits that the nature of the goods and services factor favours the Opponent.

[28] With respect to the nature of the trade, the Opponent notes that there is no restriction on the channels of trade in the statement of goods in the application, it is likely that the channels of trade for the Applicant's Goods and the Opponent's Goods would overlap, particularly given the similarity between those goods of the Applicant that heat air and water and the Opponent's air purifier and water purification unit goods.

[29] The only written representations provided by the Applicant in this proceeding relate to these factors. The Applicant submits that the nature of its Goods is not similar to that of the Opponent's Goods, since the Opponent does not manufacture or sell the goods applied for in the Applicant's application. The Applicant makes submissions in its written representations as to its channels of trade and the sophistication of its customer base; however, no evidence has been provided by the Applicant to support these submissions. At the hearing, the Applicant submitted that notwithstanding the overlap in Class 11 goods, the nature of the parties' goods is sufficiently different that confusion would be unlikely. In addition, the Applicant submitted that the Opponent has historically been known as a maker of vacuum cleaners, and that its evidence primarily shows use of the AERUS Mark in association with vacuum cleaners.

[30] While I agree with the Applicant that the Opponent's evidence shows use of the Opponent's Marks in association with vacuum cleaners, I note that Exhibit B to the Hickey affidavit also shows an air purification system and water purification unit

displaying the Opponent's Marks. In any event, as noted above, it is the statement of goods and services as defined in the registration relied upon by the Opponent and the statement of goods in the application for the Mark that governs the assessment of the likelihood of confusion under section 12(1)(d) of the Act. In the absence of evidence from the Applicant to suggest otherwise, I conclude that the nature of the goods and the nature of the trade are sufficiently similar such that these factors favour the Opponent.

Degree of resemblance

[31] When considering the degree of resemblance, the law is clear that the trademarks must be considered in their totality; it is not correct to lay them side by side and compare and observe similarities or differences among the elements or components of the trademarks. The Supreme Court of Canada in *Masterpiece* has advised that the preferable approach when comparing trademarks is to begin by determining whether there is an aspect of the trademark that is particularly striking or unique.

[32] The Opponent submits that there is a high degree of resemblance between the Mark and the AERUS Mark given that they are similar in appearance and sound, with the only difference being the placement of the letters E and U. I concur. Visually, the two trademarks share a great deal of similarity, being comprised of the same letters in a slightly different order. While there is no evidence before me as to how either trademark would be pronounced, in the absence of evidence to the contrary, I accept that there could be some phonetic similarity between the trademarks. I find that the ideas suggested by the trademarks is a neutral factor as both are coined words with limited descriptive connotations.

[33] Overall, I find that this factor favours the Opponent.

Conclusion

[34] In applying the test for confusion, I have considered it as a matter of first impression and imperfect recollection and have considered all of the surrounding circumstances. In most instances, it is the degree of resemblance between the

trademarks that is the most crucial factor in determining the issue of confusion [*Masterpiece; Beverley Bedding & Upholstery Co v Regal Bedding & Upholstery Ltd* (1980), 47 CPR (2d) 145 (FCTD) at 149, aff'd 60 CPR (2d) 70]. Here, given the close visual resemblance between the trademarks and the overlap between the Applicant's Goods and the Opponent's air and water purification goods, and in the absence of evidence from the Applicant to support its position that there would be no likelihood of confusion, I find that the Applicant has not discharged its burden to show that there is no likelihood of confusion between the Mark and the AERUS Mark.

[35] The section 12(1)(d) ground of opposition therefore succeeds.

Ground of Opposition: Section 16(1)(a)

[36] The Opponent pleads that pursuant to sections 38(2)(c) and 16(1)(a) of the Act, the Applicant is not entitled to registration of the Mark in Canada because, at the time of the filing date of the application, the Mark was confusing with one or both of the Opponent's Marks which had been previously used and/or made known in Canada and which had not been abandoned as of the date of advertisement of the Application.

[37] In order to meet its initial burden under this ground with respect to each of these trademarks, the Opponent must show that at least one of its trademarks was used prior to the Applicant's filing date (July 6, 2018) and was not abandoned at the date of the advertisement of the application (November 25, 2020). Accordingly, the relevant evidence on which the Opponent can rely is evidence of use that pre-dates the filing date of the application.

[38] As noted above, the Opponent has shown use of the Opponent's Marks in association with at least some of the Opponent's Goods and Services, including air purifiers, since as early as 2004, and has provided sales figures for such goods and services in association with the Opponent's Marks continuously to 2022. Accordingly, the Opponent has met its initial burden for this ground. The different material dates would not affect my assessment of confusion as compared to the registrability ground. Again, in the absence of evidence from the Applicant, and in the absence of evidence

from the Applicant to support its position that there would be no confusion, I find the likelihood of confusion to be at least evenly balanced between a finding of confusion and a finding of no confusion. Having made this finding, I cannot conclude that the Applicant has met its burden to show that there is no likelihood of confusion between the Mark and the AERUS Mark pursuant to this ground of opposition.

[39] Accordingly, the section 16(1)(a) ground of opposition is successful.

Remaining grounds of opposition

[40] As the Opponent has already succeeded under two grounds of opposition, it is not necessary to address the remaining grounds of opposition.

DISPOSITION

[41] In view of the above, pursuant to the authority delegated to me under section 63(3) of the Act, I refuse the application pursuant to section 38(12) of the Act

G.M. Melchin
Member
Trademarks Opposition Board
Canadian Intellectual Property Office

Appearances and Agents of Record

HEARING DATE: 2023-06-19

APPEARANCES

For the Opponent: Barry Fong

For the Applicant: Mark W. Timmis

AGENTS OF RECORD

For the Opponent: Osler, Hoskin & Harcourt LLP

For the Applicant: Mark W. Timmis