

Federal Court



Cour fédérale

Date: 20180926

Docket: T-1373-17

Citation: 2018 FC 951

Ottawa, Ontario, September 26, 2018

PRESENT: The Honourable Mr. Justice Manson

BETWEEN:

TOKAI OF CANADA LTD.

Applicant

and

**THE KINGSFORD PRODUCTS COMPANY,
LLC**

Respondent

JUDGMENT AND REASONS






I. Introduction

[1] This is an appeal pursuant to section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [the Act] from the decision of the Registrar of Trademarks [the Registrar] refusing a trademark application filed by Tokai of Canada Ltd. [Tokai, or the Applicant] to register the trademark KING.

II. Background

[2] On December 5, 2013, the Applicant filed trademark application number 1,655,739 [the Application] to register the trademark KING [the KING Trademark] for use in association with “butane”. The Application was based on proposed use in Canada.

[3] On March 9, 2015, the Kingsford Products Company, LLC [Kingsford, or the Respondent] filed a Statement of Opposition in respect of the Application. Kingsford is the owner of the registered trademarks KINGSFORD (TMA344,604), KINGSFORD CHARCOAL BRIQUETS & DESIGN (TMA335,006), KINGSFORD (TMA195,651), KINGSFORD & DESIGN (TMA196,359), KINGSFORD (TMA386,771), KINGSFORD & DESIGN (TMA 810,844), and TMA767,620 [collectively, the KINGSFORD Marks], which cover a range of barbecue-related goods:

Trade-marks	Reg'n / Appl'n No. (Reg'n / Appl'n Date)	Goods	Basis of Registration
KINGSFORD	TMA195,651 (1973-11-23)	(1) Charcoal, charcoal lighters, refractory material for lining barbecues, wood chips for smoking and flavoring foods.	Use in Canada since at least as early as June 1, 1953
	TMA196,359 (1973-12-21)	(1) Charcoal, charcoal lighters, refractory material for lining barbecues, wood chips for smoking and flavoring foods.	Use in Canada since at least as early as June 1, 1953
	TMA335,006 (1987-12-04)	(1) Charcoal briquets.	Registered and Used in the USA
KINGSFORD	TMA344,604 (1988-09-09)	(1) Barbecue sauce.	Registered and Used in the USA
KINGSFORD	TMA386,771 (1991-07-19)	(1) Barbecue grills.	Registered and Used in the USA
	TMA767,620 (2010-05-21)	(1) Charcoal briquets.	Declaration of Use filed May 5, 2010
	TMA810,844 (2011-11-02)	(1) Charcoal barbeque grills; charcoal smokers; charcoal chimneys (chimney starters); fabric grill covers; patio fireplaces.	Declaration of Use filed October 19, 2011
	1,666,106 (2014-02-26)	(1) Aluminum foil. (2) Containers formed of aluminum foil for household use.	Registered and Used in the USA Proposed Use in Canada

[4] The Respondent opposed the Application based on sections 2, 12(1)(d), 16(3)(a), 16(3)(c), and 30(i) of the Act. Each of the grounds was based in part on an allegation that there is a likelihood of confusion between the KING Trademark and the KINGSFORD Marks.

[5] On May 20, 2015, the Applicant filed a Counterstatement denying the Statement of Opposition.

[6] In advance of the oral hearing, the Respondent filed the affidavit of Christine Miroslavich, a law clerk employed by the Respondent. The Applicant chose not to file evidence, and did not cross-examine Ms. Miroslavich.

[7] Neither party filed written arguments. On July 6, 2017, both parties made oral arguments at a hearing before the Trademarks Opposition Board.

[8] On July 12, 2017, the Registrar refused the Application on the basis that the KING Trademark is confusing with the KINGSFORD Marks [the Decision], under paragraph 12(1)(d) of the Act. The Registrar dismissed the grounds of opposition under sections 30(i), 16(3)(a), 16(3)(c) and 2 of the Act.

[9] On September 11, 2017, the Applicant filed a Notice of Application appealing the Decision to this Court.

[10] The Notice of Application states that the Registrar erred for the following reasons:

(a) The Registrar's decision in respect of the issue of confusion between the Trade-mark and the Respondent's marks was incorrect in view of several material facts relevant to the issue of confusion, evidence of which was not before the Registrar during the opposition proceedings;

(b) The Registrar's decision in respect of the overlap between the Applicant's goods, and the Respondent's goods, was incorrect and unreasonable in view of the evidence before it. Specifically, there was no evidence as to the nature of butane or the uses to which it can, or may be, put;

(c) The Registrar's decision in respect of the overlap between the Applicant's channels of trade, and the Respondent's channels of trade, was incorrect and unreasonable in view of the evidence before it. Specifically, there was no evidence as to the parties' channels of trade.

[11] A certified copy of the record before the Registrar was transmitted on September 26, 2017.

[12] The Respondent filed a Notice of Appearance on September 28, 2017.

[13] The Respondent filed fresh evidence consisting of the affidavit of Elenita Anastacio sworn February 6, 2018 [the Anastacio Affidavit]. That evidence included:

a) Particulars of the following Canadian trademark applications filed by Tokai for the mark "KING", each of which have been opposed by Kingsford:

Trademark	Appl'n No.	Goods
KING	1,539,953	Barbeque and fireplace lighters
KING	1,655,739	Butane
KING	1,684,990	Cigarette lighters

- b) The Affidavit of John William Tucker, sworn June 11, 2015 [the Tucker affidavit], which was filed as Tokai's evidence in another opposition proceeding in respect of Tokai's Application No. 1,539,953 for the mark "KING"; and
- c) The transcript of the cross-examination of John William Tucker with respect to his affidavit sworn June 11, 2015, which was filed as Tokai's evidence in the opposition proceeding in respect of Tokai's Application No. 1,539,953 for the mark "KING".

[14] The Applicant did not cross-examine Ms. Anastacio.

III. The issues

[15] The issues are:

- A. What is the appropriate standard of review?
- B. Did the Registrar err in concluding that the KING Trademark was confusing with the KINGSFORD Marks?

IV. Analysis

- A. *What is the appropriate standard of review?*

[16] Subsection 56(5) of the Act permits the parties in an appeal to adduce new evidence before this Court. If no new material evidence is adduced, the standard of review is reasonableness. If evidence is adduced which would have materially affected the Registrar's findings of fact or exercise of discretion, the standard of review is correctness, and the Court may come to its own conclusion as to the correctness of the Registrar's decision (*Iwasaki Electric Co*

Ltd v Hortilux Schreder BV, 2012 FCA 321 at para 2, citing Rothstein J.A. (as he then was) in *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145).

[17] As stated above, the Registrar concluded that Kingsford had failed to meet its initial burden in respect of sections 30(i), 16(3)(a), 16(3)(c), and 2 of the Act. The Registrar found that Kingsford had not met its initial evidential burden under paragraphs 16(3)(a) and 16(3)(c), as it had failed to file any evidence showing that one or more of its trademarks were used in Canada (within the meaning of section 4 of the Act). The Registrar also found that Kingsford had not met its evidential burden under section 2, as it had not filed any evidence to establish reputation.

[18] In considering paragraph 12(1)(d) of the Act, the Registrar exercised her discretion to confirm that the KINGSFORD Marks were all extant on the Register, concluding on this basis that Kingsford had met its initial evidential burden. The Registrar then considered the factors enumerated in subsection 6(5) of the Act, and concluded that Tokai had failed to meet its legal onus of demonstrating no reasonable likelihood of confusion between the KING Trademark and the KINGSFORD Marks. On this basis alone, the Registrar refused the Application.

[19] The new evidence filed by the Respondent on appeal included the Tucker affidavit, which shows that Tokai has used the mark KING in association with barbecue and cigarette lighters in Canada since as early as December 30, 2010, and had sales in excess of CDN \$460,450 between the years of 2010 and 2014, inclusive. Invoices exhibited to the Tucker affidavit show regular sales to Wal-Mart Canada Corp.

[20] The Tucker affidavit also states that Mr. Tucker is not aware of any instances of a customer purchasing a KING lighter and believing it to be a Kingsford product, or believing that the products were in any way connected.

[21] The sales figures exhibited in the Tucker affidavit relate to the sales of lighters, not to the goods at issue in this application. They do not aid the Applicant in demonstrating use in accordance with paragraph 6(5)(b) of the Act. While there is a suggestion that there is a relationship between butane and lighters making use of butane, that evidence at best weighs in favour of the Registrar's finding that she could not conclude that there would not be a relationship between the parties' goods and a possible overlap in their respective channels of trade.

[22] Moreover, while the evidence that Mr. Tucker was not aware of any confusion in Canada between KING and KINGSFORD as they relate to lighters is relevant to the issue of confusion, it would not have materially affected the Registrar's findings. The Applicant made no suggestion as to why a corporate director should be aware of customer complaints of confusion, and Mr. Tucker gave evidence in cross examination that there was no specific mechanism to bring such complaints to his attention.

[23] In my opinion, the additional evidence on appeal would not have materially affected the Registrar's findings of fact or exercise of discretion. As a result, the standard of review should be reasonableness.

B. *Did the Registrar err in concluding that the KING Trademark was confusing with the KINGSFORD Marks?*

[24] The issue in this proceeding is whether it was reasonably open to the Registrar to reach the conclusion on likelihood of confusion, and not whether I would have come to a different conclusion based on the record before the Registrar.

[25] Paragraph 12(1)(d) of the Act provides that a trademark is registrable if it is not confusing with a registered trademark. The material date for the assessment of confusion under paragraph 12(1)(d) is the date of the trier of fact's decision. Where the new evidence filed on appeal was not material, that date is the date of the Opposition Board's decision.

[26] Subsection 6(2) of the Act 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.

[27] As stated by Rothstein J. in *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at paragraph 40:

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], at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks.

[28] In applying the test for confusion, subsection 6(5) of the Act sets out the factors to be considered:

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have 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 trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

[29] The factors in subsection 6(5) are not exhaustive, and different circumstances will be given different weight in a context-specific assessment (*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 54 [*Mattel*]). The onus is on the Applicant to show no likelihood of confusion on a balance of probabilities (*Mattel*, above).

[30] The parties agreed that the key elements under subsection 6(5) of the Act for the Court in this case are the degree of resemblance in appearance, the ideas suggested by the trademarks, and the inherent distinctiveness of the trademarks. Nevertheless, I will deal with each of the enumerated surrounding circumstances under subsection 6(5).

(1) Inherent Distinctiveness

[31] The Applicant argues that the trademarks in issue are inherently weak, comprising the main component KING, which is a common dictionary word. Moreover, given the lack of any evidence filed by Kingsford to establish an enhanced reputation, the KINGSFORD Marks should be given a narrow scope of protection, and that comparatively small differences should suffice to distinguish between the Applicant's KING Trademark and the Respondent's KINGSFORD Marks.

[32] However, while I agree there is no evidence of use of the registered KINGSFORD Marks to add any acquired distinctiveness to those trademarks, the Registrar was correct in finding that both the KING Trademark and KINGSFORD Marks possess some level of inherent distinctiveness; they are arbitrary in nature and are not descriptive or suggestive of the goods associated with the trademarks. This factor does not favour either party.

(2) Length of time in use

[33] The Applicant's KING Trademark is for proposed use in association with butane, while the Respondent's registered KINGSFORD Marks cover a variety of barbeque-related goods, the most relevant of which are "charcoal lighters" for barbecues. No evidence of use was filed by either party before the Registrar or on appeal.

[34] The sole evidence of use relied upon by the Respondent is their trademark registrations and alleged dates of use specified in those registrations.

[35] The Applicant argues that given Kingsford did not file certified copies of any of its KINGSFORD trademark registrations, it cannot claim the benefit of subsection 54(2) of the Act. That section provides that a copy of any entry on the Register of Trademarks which is certified by the Registrar is evidence of the facts set out therein.

[36] While I agree with the Applicant on this front, the Registrar did take account of the state of the Register and gave *de minimis* weight to the alleged dates of first use for the Respondent's KINGSFORD trademark relied upon, but also held that this factor did not favour either party, so was not determinative of the issue of likelihood of confusion. The Registrar's decision on this front was reasonable.

[37] I should caution, however, that notwithstanding that there are a few cases before the Trademark Opposition Board and this Court that have given at least *de minimis* weight to the dates of use claimed in trademark registrations, without any evidence of actual use whatsoever, I would be inclined to give no weight to these allegations of use unless, at the very least, certified copies of the registrations are filed as evidence.

(3) Nature of Goods and Trade

[38] The Registrar was unable to conclude that there would not be a relationship between the parties' goods or any overlap in their respective channels of trade. This finding was based on the barbecue-related nature of the KINGSFORD Marks, and the lack of evidence that the

Applicant's use of KING with "butane" would not relate to barbecue related goods and be sold to the same consumers through the same or similar channels of trade:

[29] The Opponent's registrations cover a range of barbecue related goods, including barbecue sauce (TMA344,604), charcoal, charcoal lighters, refractory material for lining barbecues, wood chips for smoking and flavoring foods (TMA195,651) and barbecue grills (TMA386,771). The application for the Mark contains no restrictions or limitations with respect to the application or industry of use for the Applicant's "butane". Without any such restrictions or limitations, I am unable to conclude that there would not be a relationship between the parties' goods or any overlap in their respective channels of trade. The Applicant's "butane" may well also relate to the barbecues and be sold to the same consumers

[39] The Applicant submits on appeal that it is highly unlikely that a consumer looking for butane will consider that the KING Trademark used therewith is in any way associated with or related to the barbecue-related goods, including charcoal lighters sold by Kingsford, but on appeal did not provide any new support for this submission. Nevertheless, the Tucker affidavit contained in the Anastacio affidavit shows that the Applicant has used the KING Trademark in association with lighter products specifically marketed for the barbecue market, and sold in retail store chains which also sell barbecue products. I therefore find that the Registrar's conclusion is reasonable with respect to this issue.

(4) Degree of Resemblance and Ideas Suggested

[40] The Registrar found there to be a fair degree of resemblance between the parties' trademarks, noting that the whole of the KING Trademark is incorporated in KINGSFORD as the first or dominant part of that trademark, and that the two bear some visual, phonetic and connotative similarities.

[41] The Applicant takes the position that while it is not disputed that the first portion of a trademark is the most relevant for the purposes of distinction:

- i. When a word is common, descriptive or suggestive, the significance of the first portion decreases; and
- ii. Comparatively small differences will suffice to distinguish between “weak” marks that have relatively low inherent distinctiveness.

[42] The parties rightfully agreed during the hearing that an overriding principle in considering likelihood of confusion and degree of resemblance is that the Court should not dissect a trademark into component parts when comparing one to another. The question for me to answer is whether, based on the relevant factors established by the Supreme Court of Canada in *Masterpiece*, above, there a sufficient degree of resemblance between KING and KINGSFORD such that as a matter of first impression, the casual consumer, somewhat in a hurry with an imperfect recollection of the KINGSFORD Marks, would likely be confused as to the source of the KING goods (butane) being offered for sale, distributed and sold by the Applicant. I will not dissect the trademarks in making that comparison, but will consider whether the Registrar was reasonable in finding in favour of the Respondent.

[43] Contrary to the assertions of the Applicant, there is no evidence before the Court that KING is commonly used in any relevant sense to the facts before me. Additionally, the Registrar was correct in finding that the KING and KINGSFORD trademarks possess some level of inherent distinctiveness; they are both arbitrary words as used for the goods related to each trademark, and are not descriptive or suggestive. As such, the significance of KING as the first

portion of KINGSFORD and as the entire trademark KING is not diminished, and arguing that comparatively small differences suffice to distinguish between these trademarks on that basis is not justified.

[44] I find that the Registrar's decision that the Applicant's KING Trademark is likely to be confusing with the Respondent's KINGSFORD Marks was reasonable.

JUDGMENT in T-1373-17

THIS COURT'S JUDGMENT is that:

1. The appeal is dismissed;
2. Costs to the Respondent in assessed at Column III of Tariff B.

"Michael D. Manson"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1373-17

STYLE OF CAUSE: TOKAI OF CANADA LTD. v THE KINGSFORD
PRODUCTS COMPANY, LLC

PLACE OF HEARING: TORONTO, ONTARIO

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