

Federal Court



Cour fédérale

**Date: 20191016**

**Docket: T-2136-18**

**Citation: 2019 FC 1301**

**Ottawa, Ontario, October 16, 2019**

**PRESENT: The Honourable Mr. Justice Southcott**

**BETWEEN:**

**FRIEDRICH GELDBACH GMBH**

**Applicant**

**and**

**M. GELDBACH (SHANXI) FLANGE &  
FITTINGS CO, LTD**

**Respondent**

**JUDGMENT AND REASONS**

**I. Overview**

[1] The Applicant, Friedrich Geldbach GmbH, has applied for a declaration that the registration of a trademark of the Respondent, M. Geldbach (Shanxi) Flange & Fittings Co, Ltd, is invalid, and an order that that the Registrar of Trademarks strike the Respondent's registration from the Register of Trademarks pursuant to section 57(1) of the *Trademarks Act*, RSC, 1985, c

T-13 [the Act]. This application was argued in Toronto on September 24, 2019, in the absence of the Respondent, which did not enter a Notice of Appearance.

[2] For the reasons that follow, this application is allowed, and my Judgment will grant the relief requested by the Applicant.

## II. Background

[3] The Applicant is a company organized under the laws of Germany. It manufactures flanges, fittings, and related goods and sells its products in Germany and internationally, including in Canada. It says that it has continuously and extensively used the following design mark [the Applicant's Mark] for over thirty years, in association with flanges, fittings, and related goods:



[4] On February 6, 2017, the Applicant filed Canadian trademark application number 1,821,580 to register the Applicant's Mark. The Applicant asserts that it subsequently learned of the Respondent's trademark registration number TMA993,412 [the Respondent's Registration], which is the subject of this application.

[5] The Respondent's Registration resulted from an application filed on November 18, 2015. It was issued on March 28, 2018, in favour of the Respondent, a company with a business address at Lijiazhuang Industrial Area, Dingxiang County, Shanxi Province, 035404, China. The

Respondent's Registration relates to the word mark "geldbach" [the Respondent's Mark] and identifies a claim of use in Canada since at least as early as June 17, 2015, in association with the following goods:

(1) flanges of metal [collars]; junctions of metal for pipes; elbows of metal for pipes; pipework of metal; sheets and plates of metal; cable junction of sleeves of metal; casings of metal for oil wells; pipe muffs of metal; fittings of metal for compressed air ducts

[6] The Applicant asserts that the Respondent's Registration is invalid for the following three reasons:

- A. Referencing s 18(1)(b) of the Act, the Respondent's Mark was not distinctive when this application was commenced on December 17, 2018. As at that date, the Respondent's Mark did not distinguish the goods in association with which it was registered from the Applicant's goods;
- B. Referencing s 18(1)(d) of the Act, s 16(1)(a) disentitled the Respondent from registering the Respondent's Mark because it was confusing with the Applicant's Mark on June 17, 2015, which the Respondent claimed as its date of first use. The Applicant says it used the Applicant's Mark in Canada prior to June 17, 2015; and
- C. Referencing s 18(1)(c) of the Act, the Respondent has never used the Respondent's Mark in Canada with any of the goods listed in the Respondent's Registration and has therefore abandoned the mark.

[7] The Applicant therefore commenced this application by Notice of Application dated December 17, 2018, and sent it to Jesse Belot, identified in the Respondent's Registration as the Respondent's representative for service. As previously noted, the Respondent has not filed a Notice of Appearance in this matter.

### III. Issues

[8] This application raises the following issues to be decided by the Court:

- A. Was the Respondent properly served in this application?
- B. Does the Applicant have standing to bring this application?
- C. Should the Respondent's Registration be struck from the Register of Trademarks?

### IV. Analysis

- A. *Was the Respondent properly served in this application?*

[9] The Applicant relies on an affidavit of service of Jacinta M. de Abreu to support the position that it served the Notice of Application on the Respondent under the *Federal Courts Rules*, SOR/98-106 [the Rules]. Ms. de Abreu is a law clerk employed by the Applicant's counsel. She deposed that she served the Respondent and its agent, Jessie Belot, on December 17, 2018, by sending the document via "Canada Post Registered Mail to Jessie Belot at 520 De Gaspe St., Suite 303, Montreal, Quebec, H3E 1G1". Ms. de Abreu's affidavit of service attached

copies of her covering correspondence, as well as an email from Canada Post indicating that it delivered the item on December 19, 2018, and received a signature from Jessie Belot.

[10] The Respondent's Registration identifies Jessie Belot, with the aforementioned Montréal address, as the Respondent's representative for service. The Respondent therefore argues that it effectively served the Respondent by the combined operation of the former s 30(g) of the Act (as in force at the date of service) and Rule 128(1)(e) of the Rules.

[11] Section 30 (g), when in force, provided as follows:

**30** An applicant for the registration of a trade-mark shall file with the Registrar an application containing

...

(g) the address of the applicant's principal office or place of business in Canada, if any, and if the applicant has no office or place of business in Canada, the address of his principal office or place of business abroad and the **name and address in Canada of a person or firm to whom any notice in respect of the application or registration may be sent, and on whom service of any proceedings in respect of the application or registration may be**

**30** Quiconque sollicite l'enregistrement d'une marque de commerce produit au bureau du registraire une demande renfermant :

...

g) l'adresse du principal bureau ou siège d'affaires du requérant, au Canada, le cas échéant, et si le requérant n'a ni bureau ni siège d'affaires au Canada, l'adresse de son principal bureau ou siège d'affaires à l'étranger et **les nom et adresse, au Canada, d'une personne ou firme à qui tout avis concernant la demande ou l'enregistrement peut être envoyé et à qui toute procédure à l'égard de la demande ou de l'enregistrement peut être signifiée avec**

**given or served with the same effect as if they had been given to or served on the applicant or registrant himself**  
[emphasis added.]

**le même effet que si elle avait été signifiée au requérant ou à l'inscrivant lui-même** [je souligne.]

[12] I accept that this application under s 57 of the Act is a proceeding in respect of the Respondent's Registration, such that the effect of s 30(g) is that service on Jessie Belot has the same effect as service on the Respondent. Rule 128(1)(e) provides that one method of personally serving a document on an individual is by mailing the document to the individual's last known address, if the individual signs a post office receipt. Those requirements were met by the Applicant's service on Jessie Belot. I therefore find that the Respondent was effectively served with the Applicant's Notice of Application.

[13] As it did not enter a Notice of Appearance following such service, the Respondent was not required to be served with any further documents in this proceeding prior to final judgment (see Rule 145).

*B. Does the Applicant have standing to bring this application?*

[14] Section 57(1) of the Act provides this Court has exclusive original jurisdiction, on the application of the Registrar or any person interested, to order that any entry in the register of trademarks be struck out or amended, on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark. Section 2 of the Act defines "person interested" to include "...any person who is affected or reasonably apprehends that he may be

affected by any entry in the register, or by any act or omission or contemplated act or omission under or contrary to this Act...”.

[15] The Applicant argues it is a person interested for the purpose of bringing this application under s 57 of the Act, because the Respondent obtained a registration for what it alleges is a confusingly similar mark that ought not to have been registered and which now poses an obstacle to the registration of the Applicant’s Mark. I accept this argument and find that the Applicant has standing to bring this application.

*C. Should the Respondent’s Registration be struck from the Register of Trademarks?*

[16] The Applicant’s arguments under both ss 18(1)(b) and (d) turn on its position that the Respondent’s Mark is confusing with the Applicant’s Mark.

[17] Under s 18(1)(d), in combination with s 16(1)(a)—which the Applicant also relies on for this ground—confusion is assessed as of the earlier of (A) the time the Respondent applied to register the Respondent’s Mark, or (B) its date of first use of the mark in Canada. In this case, the earlier date is the claimed date of first use, June 17, 2015. Under s 18(1)(b), confusion is assessed as of the time the Applicant filed its Notice of Application, December 17, 2018. In this matter, the evidence results in no material difference in the confusion analysis as of those two different dates.

[18] It is well-established law that the test to determine the likelihood of confusion is a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the respondent's mark at a time when he or she has no more than an imperfect recollection of the applicant's mark and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks (see *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 [*Masterpiece*] at para 40).

[19] Section 6(5) of the Act further provides that, in assessing confusion, the Court shall have regard to all the surrounding circumstances, including a list of prescribed factors, each of which is considered below.

(1) Degree of Resemblance

[20] The degree of resemblance between the marks, including resemblance in appearance or sound or the ideas suggested by them, is the factor that is often likely to have the greatest effect on the confusion analysis (see *Masterpiece* at para 49).

[21] The Applicant submits that the degree of resemblance between the parties' marks is high. It argues that the dominant feature of the Applicant's Mark is the surname "Geldbach". Accordingly, the Respondent's Mark "geldbach" evokes an immediate association with the Applicant's Mark by adopting that dominant feature.

[22] As the Respondent's Mark is a word mark and the Applicant's Mark includes that word and others, in combination with design features, I raised for counsel's consideration the potential



application of this Court's degree of resemblance analysis in the recent decision in *Loblaws Inc v Columbia Insurance Company*, 2019 FC 961 [*Loblaws*]. At paragraphs 51 to 60 of that decision, I concluded, based in part on the presence and prominence of the design element of the defendant's mark, and that it bore some resemblance to the plaintiff's word mark but that the degree of resemblance was not particularly strong.

[23] The Applicant argues that *Loblaws* is distinguishable from the present case, because the design elements of its mark are secondary to the proper name "Friedrich Geldbach" and "Geldbach" is the dominant feature of the Applicant's Mark as it is a surname. I find this argument compelling. I would not necessarily accede to the Applicant's position that the degree of resemblance between the marks is high, however, because of differences that do exist between them, including the presence of the design elements in the Applicant's Mark. Nonetheless, I agree that there is significant resemblance and that the degree of resemblance is sufficient to favour the Applicant in the confusion analysis.

## (2) Distinctiveness

[24] The distinctiveness factor requires consideration of both the inherent and acquired distinctiveness of the marks (see *Pink Panther Beauty Corp v United Artists Corp* [1998] 3 FC 534 (FCA) at para 23).

[25] The Applicant acknowledges that surname marks are not particularly distinctive, but it relies on the design elements of its mark as increasing its level of inherent distinctiveness. I agree

that the Applicant's Mark has some inherent distinctiveness and more than the Respondent's Mark.

[26] To support its arguments on acquired distinctiveness, the Applicant relies on the affidavit of its Managing Director, Carlo Farina, related to the use of the Applicant's Mark and sales of its goods in Canada. Mr. Farina deposed that the Applicant was founded in 1894 and has since enjoyed "tremendous sales" of its flanges and fittings throughout Germany and abroad, including in Canada. Mr. Farina stated that the Applicant has over 30 years of continuous, extensive use and advertising of the Applicant's Mark in Canada. He stated that the Applicant has used its mark on its products or packaging in Canada since at least as early as December 1980 and has so claimed in its trademark application number 1,821,580 in connection with "[f]langes of metal [collars]; socket weld flanges; slip-on flanges; welding neck flanges; blind flanges; threaded flanges; lap-joint flanges; long weld neck flanges; reducer flanges; inlet flanges; metal discs; spectacle blinds; paddle blinds; rings of metal; spacer rings" [the Applicant's Goods].

[27] Mr. Farina also deposed that the Applicant has extensively and continuously used the Applicant's Mark in connection with the Applicant's Goods since before November 18, 2015. He provided figures for the sale of the Applicant's Goods between 2012 and 2014, which total over CDN \$1.2 million, and attached representative invoices for Canadian sales of the Applicant's Goods, bearing dates in 2014 and 2015.

[28] Mr. Farina's evidence supports a conclusion that the Applicant's Mark has some degree of acquired distinctiveness. There is no evidence supporting any acquired distinctiveness on the part of the Respondent's Mark.

[29] Both inherent and acquired distinctiveness favour the Applicant in the confusion analysis.

### (3) Length of Time in Use

[30] Again referencing Mr. Farina's evidence, the Applicant notes that it has used its mark on its products or packaging in Canada since at least as early as December 1980. There is no evidence of any use of the Respondent's Mark in Canada. Therefore, the length of time in use favours the Applicant.

### (4) Nature of the Goods and Trade

[31] Regarding the nature of the parties' goods, the Applicant submits that the goods identified in the Respondent's Registration directly overlap with the goods sold by the Applicant in association with the Applicant's Mark, as set out in Mr. Farina's evidence. The two lists of goods are not identical. I agree, however, that there is sufficient overlap to favour the Applicant in the confusion analysis.

[32] Turning to the nature of the parties' trades, there is no evidence regarding the channels of trade through which the Respondent offers its goods for sale. The Applicant relies on *Opus Building Corp v Opus Corp* (1995), 60 CPR (3d) [*Opus*] at p 104, in which Justice Pinard of the

Federal Court Trial Division considered evidence that the applicant performed services that were substantially similar to those for which the respondent's mark was registered. Although the Court concluded on the evidence that the nature of the trade and the market which the parties were trying to reach was the same, it also relied on the logical inference that, where the services offered are virtually identical, the nature of the trade is also likely to be substantially the same. As previously noted, I do not conclude that the parties' goods are identical. However, they do appear to be sufficiently similar that the logic identified in *Opus* applies.

[33] Overall, it is clear that this factor favours the Applicant in the confusion analysis.

#### (5) Conclusion on Confusion

[34] Having concluded that all the factors identified in s 6(5) of the Act favour the Applicant, and with no evidence of other relevant surrounding circumstances, I find a likelihood of confusion between the parties' marks as of the material date of December 17, 2018. I therefore find the Respondent's Registration invalid under s 18(1)(b).

[35] Turning to s 18(1)(d), the confusion analysis is virtually the same for the material date of the Respondent's claimed first use, June 17, 2015. The evidence in the Applicant's favour is marginally less compelling, as it covers a shorter period of time. Despite this effect, the evidence again supports a conclusion of a likelihood of confusion between the parties' marks.

[36] In arriving at that conclusion, I am conscious of the point raised by the Applicant's counsel at the hearing that s 18(1)(d) is subject to s 17, which imposes on the Applicant the

burden to establish that it had not abandoned the Applicant's Mark as of the date that the Respondent's application to register the Respondent's Mark was advertised. The Respondent's Registration indicates a date of advertisement of November 1, 2017. I am satisfied based on the evidence in Mr. Farina's affidavit that the Applicant had not abandoned its mark as of that date.

[37] I therefore find the Respondent's Registration invalid under s 18(1)(d).

#### (6) Abandonment of the Respondent's Mark

[38] Section 18(1)(c) of the Act provides that the registration of a trade mark is invalid if it has been abandoned. The Applicant again relies upon the evidence of Mr. Farina, who deposed that, in his capacity as Managing Director of the Applicant, he is generally aware of the activities of competitors in Canada. Mr. Farina stated that he is unaware of any use or sales in Canada by the Respondent in connection with the Respondent's Mark since at least as early as June 17, 2015. The Applicant also observes that the Respondent failed to respond to this application and has therefore not provided any evidence of such use or sales.

[39] As noted by the Federal Court of Appeal in *Iwasaki Electric Co Ltd v Hortilux Schreder BV*, 2012 FCA 321 [*Iwasaki*] at paras 18 and 21, a finding that a mark has been abandoned turns not just on non-use of the mark but on an intention to abandon it. However, in determining whether a person has an intention to abandon a mark, an inference of such intention can, in the absence of any other evidence, be drawn as a result of a failure to use the mark for a long period of time (para 21).

[40] Mr. Farina's affidavit is the only evidence before the Court on the Respondent's use (or rather non-use) of the Respondent's Mark from June 17, 2015, to the date of his affidavit, December 17, 2018. I accept the Applicant's submissions in support of their position that this period in excess of three years is sufficiently lengthy to invoke the inference in *Iwasaki*.

[41] I therefore find the Respondent's Registration invalid under s 18(1)(c) on the basis that it has been abandoned.

V. **Conclusion and Costs**

[42] Based on the above findings, the Applicant is entitled to the relief requested. It also claims costs on a party and party basis and provided post-hearing a bill of costs in support of the quantification of costs. The Applicant claims \$5362.50, calculated under Tariff B of the Rules, employing units in the middle of the range of Column III for assessable services performed in the course of this application. The Applicant also claims \$567.95 in disbursements, for a total costs claim of \$5930.45.

[43] I accept the Applicant's quantification of costs, with the exception of the inclusion of units for a second counsel in relation to the preparation and filing of documents and the preparation for the hearing. This reduces the claimed costs by \$2175.00, resulting in a total of \$3755.45. My Judgment will award costs in that all-inclusive amount.

**JUDGMENT IN T-2136-18**

**THIS COURT'S JUDGMENT is that:**

1. The Respondent's Canadian Trademark Registration No. TMA993,412 for the trademark "geldbach" is hereby declared invalid.
2. The Registrar of Trademarks shall strike Canadian Trademark Registration No. TMA993,412 from the Register of Trademarks.
3. The Respondent shall pay the Applicant costs of this application in the all-inclusive amount of \$3755.45.

"Richard F. Southcott"

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Judge

**FEDERAL COURT**

**SOLICITORS OF RECORD**

**DOCKET:** T-2136-18

**STYLE OF CAUSE:** FRIEDRICH GELDBACH GMBH v M. GELDBACH  
(SHANXI) FLANGE & FITTINGS CO, LTD

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** SEPTEMBER 24, 2019

**JUDGMENT AND REASONS:** SOUTHCOTT J.

**DATED:** OCTOBER 16, 2019

**APPEARANCES:**

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