

Federal Court



Cour fédérale

Date: 20210628

Docket: T-1491-17

Citation: 2021 FC 673

Ottawa, Ontario, June 28, 2021

PRESENT: The Honourable Mr. Justice Brown

APPLICATION UNDER Section 56 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, in relation to application no. 1593806 for the trade-mark TRULY CANADIAN CERTIFIED GOLD & Design

BETWEEN:

BEVERLY HILLS JEWELLERS MFG LTD.

Applicant

and

CORONA JEWELLERY COMPANY LTD.

Respondent

JUDGMENT AND REASONS

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[1] This is an appeal of a decision by the Trade-marks Opposition Board [TMOB] in the name of the Registrar of Trade-marks [Registrar]. The TMOB refused the Applicant's application to register the trade-mark TRULY CANADIAN CERTIFIED GOLD and Design (Application no. 1,593,806) [GOLD Mark]:



The application was refused by the TMOB [Decision] based on an opposition filed by the Respondent [also referred to as Corona] which alleged confusion with the trade-mark CANADIAN CERTIFIED GOLD and Design (TMA767318) [CORONA Mark]:



The TMOB focussed on the CORONA Mark having concluded the Respondent would not succeed on any other of its marks. The TMOB agreed with the Respondent's opposition, found the Applicant's GOLD Mark confusing with the CORONA Mark and refused the Applicant's application.

[2] The Applicant appeals under section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [Act] for a direction that the TMOB reject the opposition to the GOLD Mark and related relief. The Respondent asks the appeal be dismissed and the applications be refused, with costs.

[3] The *Act* was amended on June 17, 2019, such that, among other things, it was renamed the *Trademarks Act*. This Appeal, however, is governed by the former *Act* with its hyphenated name.

I. Facts and decision under review

A. *General*

[4] The Applicant filed its application for the GOLD Mark covering “Jewellery; Gold” based on use in Canada since January 1, 2012. The application was filed September 12, 2012.

[5] According to the Certified Tribunal Record [CTR], the application for the GOLD Mark was initially rejected for advertising by the trade-mark examiner [Examiner] because of confusion with the CORONA Mark, and other marks owned by the Government of Northwest Territories [CTR p. 128]. However, the Applicant provided further submissions to the TMOB who allowed advertising [CTR, pp. 114 to 124].

[6] The application was advertised for opposition purposes in the *Trade-marks Journal* on April 30, 2014.

[7] The Respondent filed a statement of opposition on June 26, 2014 under section 30, paragraph 12(1)(d), subsection 16(1), and section 2 of the *Act*, based on its CORONA Mark:



[8] The grounds of opposition were confusion with a previously used or known trade-mark per subsection 16(1), confusion with a registered trade-mark per paragraph 12(1)(d), and distinctiveness per section 2. The opposition also relied on subsection 30(i) (bad faith) which was rejected by the TMOB and not pursued on this appeal.

[9] As the TMOB properly held at paragraph 4 of the Decision, “the grounds of opposition as pleaded revolve around the likelihood of confusion between the [GOLD] Mark and the following trade-marks of the [Respondent], used in association with, among other things, ‘jewellery; gold’ (collectively, the CORONA Marks)”. As noted, the TMOB ultimately focussed on only the CORONA Mark.

[10] The core provisions for these three grounds are as follows; I emphasize confusion under subsection 16(1) because it is the basis on which this appeal is decided:

1. Confusion with a trade-mark previously used or made known: Subsection 16(1) says a person is not entitled to register a trade-mark if, at the date the trade-mark

was first used [abbreviated to “first use”], it was confusing with a trade-mark that had been previously used in or made known in Canada. In this case, the CORONA Mark had been previously used or made known at the date of first use of the GOLD Mark:

Registration of marks used or made known in Canada

16 (1) Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with goods or services is entitled, subject to section 38, to secure its registration in respect of those goods or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with

(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;

[Emphasis added]

Enregistrement des marques employées ou révélées au Canada

16 (1) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce qui est enregistrable et que le requérant ou son prédécesseur en titre a employée ou fait connaître au Canada en liaison avec des produits ou services, a droit, sous réserve de l'article 38, d'en obtenir l'enregistrement à l'égard de ces produits ou services, à moins que, à la date où le requérant ou son prédécesseur en titre l'a en premier lieu ainsi employée ou révélée, elle n'ait créé de la confusion :

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

[Je souligne]

2. Confusion with a registered trade-mark: Paragraph 12(1)(d) states a trade-mark is registrable if, at the date of the Decision, see *Park Avenue Furniture Corp. v*

Wickes/Simmons Bedding Ltd., (1991) 130 NR 223 (FCA) [Desjardins JA] [*Park*],

it is not confusing with a registered trade-mark:

**When trade-mark
registrable**

12 (1) Subject to section 13, a trade-mark is registrable if it is not

(d) confusing with a registered trade-mark;

...

[Emphasis added]

**Marque de commerce
enregistrable**

12 (1) Sous réserve de l'article 13, une marque de commerce est enregistrable sauf dans l'un ou l'autre des cas suivants :

d) elle crée de la confusion avec une marque de commerce déposée;

...

[Je souligne]

3. Distinctiveness: Section 2 is the general definition section and requires a trade-mark to be “distinctive” as of the date of filing of the opposition, see *Metro-Goldwyn-Mayer Inc. v Stargate Connections Inc.*, 2004 FC 1185 [*Simpson J*] [Stargate]:

trade-mark means:

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others,

...

**marque de commerce Selon
le cas:**

a) marque employée par une personne pour distinguer, ou de façon à distinguer, les produits fabriqués, vendus, donnés à bail ou loués ou les services loués ou exécutés, par elle, des produits fabriqués, vendus, donnés à bail ou loués ou des services loués ou exécutés, par d'autres;

...

(c) a distinguishing guise, or	c) signe distinctif;
(d) a proposed trade-mark; (marque de commerce)	d) marque de commerce projetée. (trade-mark)
[Emphasis added]	[Je souligne]

B. *Factors included in a confusion analysis*

[11] Subsection 6(5) of the *Act* provides an inclusive list of considerations to use to determine if a trade-mark is confusing. These will be reviewed in detail later in these Reasons. The list is inclusive, which means there may be other relevant circumstances:

**When mark or name
confusing**

6 (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

Idem

(2) The use of a trade-mark causes confusion with another trade-mark if the use of both trade-marks in the same area would be likely to lead to the

**Quand une marque ou un
nom crée de la confusion**

6 (1) Pour l'application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un autre nom commercial si l'emploi de la marque de commerce ou du nom commercial en premier lieu mentionnés cause de la confusion avec la marque de commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.

Idem

(2) L'emploi d'une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l'emploi des deux marques de

inference that the goods or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

commerce dans la même région Serait susceptible de faire conclure que les produits liés à ces marques de commerce sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces produits ou ces services soient ou non de la même catégorie générale.

...

...

What to be considered

Éléments d'appréciation

(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

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris:

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

(b) the length of time the trade-marks or trade-names have been in use;

b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;

(c) the nature of the goods, services or business;

c) le genre de produits, services ou entreprises;

(d) the nature of the trade; and

d) la nature du commerce;

(e) the degree of resemblance between the trade-marks or trade-names

e) le degré de ressemblance entre les marques de commerce ou les noms

in appearance or sound or
in the ideas suggested by
them.

[Emphasis added]

commerciaux dans la
présentation ou le son, ou
dans les idées qu'ils
suggèrent.

[Je souligne]

C. *Related Diamond Dispute*

[12] This case was heard by the TMOB, and subsequently by this Court, together with another trade-mark dispute between the same parties involving not gold jewellery, but diamond jewellery [Related Diamond Dispute]. The Related Diamond Dispute concerns trade-mark applications for FIRE AND ICE CANADIAN DIAMOND & Design (Application no. 1,615,226) and FIRE ON ICE CANADIAN DIAMOND & Design (Application no. 1,615,229) filed by the same Applicant on February 22, 2013. The Related Diamond Dispute applications were opposed by the Respondent due to confusion with its registered word mark MAPLE LEAF DIAMONDS (TMA688061), and its registered design mark GEOMETRIC Design (TMA677376). The Related Diamond Dispute in this Court is the subject of file number T-1485-17.

[13] The TMOB rejected the Applicant's application for the GOLD Mark, and also rejected its applications in the Related Diamond Dispute applications. The Applicant has appealed both the TMOB decision concerning to the GOLD Mark application, and the Related Diamond Dispute to this Court under section 56 of the *Act*. The Court heard the Related Diamond Dispute appeal together with the present appeal regarding the GOLD Mark and CORONA Mark. The Court is releasing judgment in the Related Diamond Dispute at the same time as judgment is released in the present case; both appeals are being dismissed.

D. *TMOB proceedings*

[14] Affidavit evidence was filed by both parties before the TMOB. The Applicant filed the affidavit of Mr. Giovanni Vaccaro (President of the Applicant) who provided information on the GOLD Mark and background about the company [Vaccaro 2015 Affidavit]. The Applicant also filed the affidavit of Ms. Elenita Anastacio (a trade-mark searcher with the agents for the Applicant) with trade-mark register evidence [Anastacio 2015 Affidavit]. The Respondent filed the affidavit of Ms. Diana Soare (Marketing Director of the Respondent) who provided considerable information about the use of the Respondent's mark, its sales, advertisements and other information relating to the CORONA Mark [Soare 2014 Affidavit].

[15] There were no cross-examinations on the affidavits filed at the TMOB.

[16] Written arguments were exchanged between the parties at the TMOB. After an oral hearing, the TMOB issued its Decision on July 31, 2017 and refused the application based on confusion between the GOLD Mark and the CORONA Mark. The TMOB found confusion under paragraph 12(1)(d), subsection 16(1) and section 2 of the Act.



[17] On the same day, the TMOB issued its Decision dismissing the application requested in the Related Diamond Dispute because of confusion under paragraph 12(1)(d), subsection 16(3) and section 2 of the *Act*.

E. *Appeal to the Federal Court under section 56*

[18] On October 2, 2017, the Applicant filed a Notice of Application appealing the TMOB Decision to this Court under section 56 of the *Act*. The Applicant filed a Notice of Application in the Related Diamond Dispute on the same day.

[19] Section 56 creates a right of appeal, but with a special feature permitting the filing of additional evidence which, if found to be material and accepted, allows the Court to exercise any discretion vested in the Registrar. The parties agree additional new evidence must be material to be considered on a section 56 appeal. Subsections 56(1) and 56(5) provide:

Appeal

56 (1) An appeal lies to the Federal Court from any decision of the Registrar under this Act within two months from the date on which notice of the decision was dispatched by the Registrar or within such further time as the Court may allow, either before or after the expiration of the two months.

...

Additional evidence

Appel

56 (1) Appel de toute décision rendue par le registraire, sous le régime de la présente loi, peut être interjeté à la Cour fédérale dans les deux mois qui suivent la date où le registraire a expédié l'avis de la décision ou dans tel délai supplémentaire accordé par le tribunal, soit avant, soit après l'expiration des deux mois.

...

Preuve additionnelle

(5) On an appeal under subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.

[Emphasis added]

(5) Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

[Je souligne]

[20] The Applicant filed two affidavits on its appeal to this Court, the affidavit of Mr. Vaccaro sworn April 12, 2019 [Vaccaro 2019 Affidavit] and the affidavit of Sandy Singh, an articling student for counsel for the Applicant, sworn April 12, 2019 [Singh Affidavit].

[21] The Respondent also filed new evidence on this appeal, namely the affidavit of Ms. Soare affirmed October 21, 2019 [Soare 2019 Affidavit].

[22] Mr. Vaccaro and Ms. Soare were cross-examined on the affidavits filed in this Court.

[23] The parties helpfully filed a joint record and joint book of authorities containing material relevant to the marks in this case, and in the Related Diamond Dispute. The hearing of the appeal in the Related Diamond Dispute took place by ZOOM videoconference on March 15, 2021 and part of March 16, 2021 in Ottawa and Toronto. The hearing of this appeal continued in the same format and places for the balance of March 16, 2021.

II. Issues

[24] The issues are:

1. What is the standard of review and legal methodology applicable to this case?
2. Does the Applicant's additional evidence meet the test for consideration? and
 - a) if the additional evidence meets the test for consideration, what is its proper assessment in the present appeal which will be decided on a *de novo* basis? and
 - b) if the additional evidence does not meet the test for consideration, what is the proper determination of this appeal having regard to tests for appellate review confirmed in *Housen v Nikolaisen*, 2002 SCC 33 [*Housen*], namely correctness for issues of law, and palpable and overriding error for issues of fact, or mixed fact and law including issues where the legal principle is not readily extricable.

III. Standard of review on section 56 appeals

A. *Housen v Nikolaisen*, 2002 SCC 33 establishes two branches of appellate review

[25] The Supreme Court of Canada in *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 [*Vavilov*] at para 37 explains what is required of this Court when hearing statutory appeals, such as the current appeal under section 56. Essentially *Vavilov* confirms that on an appeal there are two appellate review standards, correctness for errors of law, and palpable and overriding error for questions of fact and questions of mixed fact and law where the legal principle is not readily extricable as decided by *Housen*:

[37] It should therefore be recognized that, where the legislature has provided for an appeal from an administrative decision to a court, a court hearing such an appeal is to apply appellate standards of review to the decision. This means that the applicable standard is to be determined with reference to the nature of the question and to this Court's jurisprudence on appellate standards of review.

Where, for example, a court is hearing an appeal from an administrative decision, it would, in considering questions of law, including questions of statutory interpretation and those concerning the scope of a decision maker's authority, apply the standard of correctness in accordance with *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235, at para. 8. Where the scope of the statutory appeal includes questions of fact, the appellate standard of review for those questions is palpable and overriding error (as it is for questions of mixed fact and law where the legal principle is not readily extricable): see *Housen*, at paras. 10, 19 and 26-37. Of course, should a legislature intend that a different standard of review apply in a statutory appeal, it is always free to make that intention known by prescribing the applicable standard through statute.

[Emphasis added]

[26] To the same effect is the recent Federal Court of Appeal judgment in *The Clorox Company of Canada, Ltd. v. Chloretec S.E.C.*, 2020 FCA 76 [de Montigny JA] [*Clorox*]:

23 As a result, from now on, it is the Supreme Court's jurisprudence on appellate standards of review (and in particular *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235 (S.C.C.) [*Housen*]) that both the Federal Court and this Court should apply when dealing with an appeal under subsection 56(1) of the Act. I note that it is, indeed, the standard which the Federal Court has applied in what appears to be the only reported case so far involving an appeal under the regime of the Act: see, *Pentastar Transport Ltd. v. FCA US LLC*, 2020 FC 367 (F.C.) at paras. 42-45. For questions of fact and mixed fact and law (except for extricable questions of law), the applicable standard is therefore that of the "palpable and overriding error". For questions of law, the standard is correctness.

[Emphasis added]

B. *What is meant by palpable and overriding error for questions of fact and mixed fact and law?*

[27] If this Court finds an issue is a question of fact or mixed fact and law, it will review the issue on the appellate standard of palpable and overriding error. Justice Stratas in *Canada v South Yukon Forest Corporation*, 2012 FCA 165 [*South Yukon*] explains what the Applicant must show to establish a palpable and overriding error in an appeal (also to be discussed later in these Reasons):

[46] Palpable and overriding error is a highly deferential standard of review: *H.L. v. Canada (Attorney General)*, 2005 SCC 25, [2005] 1 S.C.R. 401; *Peart v. Peel Regional Police Services* (2006) 2006 CanLII 37566 (ON CA), 217 O.A.C. 269 (C.A.) at paragraphs 158-59; *Waxman, supra*. “Palpable” means an error that is obvious. “Overriding” means an error that goes to the very core of the outcome of the case. When arguing palpable and overriding error, it is not enough to pull at leaves and branches and leave the tree standing. The entire tree must fall.

[Emphasis added]

[28] This description of palpable and overriding error has been adopted by both the Federal Court and Federal Court of Appeal. See most recently: *Spectrum Brands, Inc. v Schneider Electric Industries SAS*, 2021 FCA 51 [LeBlanc JA] at para 7, *Apotex Inc. v Janssen Inc.*, 2021 FCA 45 [Locke JA] at para 44, *Dixon v TD Bank Group*, 2021 FC 101 [Norris J] at para 8.

[29] The Federal Court of Appeal in *Clorox* also addressed the palpable and overriding error standard of review for errors of fact and mixed fact and law in a section 56 appeal:

[38] The appellant now asks this Court to reweigh the evidence and to come to a different conclusion than that reached by the TMOB and the Federal Court. This is a steep hill to climb, considering that on questions of fact and of mixed fact and law, the standard of review is the standard of palpable and overriding error. In other words, the appellant must convince this Court that the Federal Court made an error that is obvious and that goes to the very core of the outcome of the case: *Canada v. South Yukon Forest Corporation*, 2012 FCA 165 at para. 46, 431 N.R. 286. This

is an even more deferential standard of review than the standard of reasonableness applied by the Federal Court.

[Emphasis added]

C. *Questions of law are to reviewed on a standard of correctness*

[30] Appellate review of questions of law, including readily extricable errors of law, is conducted on the standard of correctness. This is explained by the Supreme Court of Canada in

Housen:

8. On a pure question of law, the basic rule with respect to the review of a trial judge's findings is that an appellate court is free to replace the opinion of the trial judge with its own. Thus the standard of review on a question of law is that of correctness: Kerans, supra, at p. 90.

[Emphasis added]

D. *Tests for additional or new evidence*

(1) What is material new evidence?

[31] As noted, three affidavits were filed in this appeal, two from the Applicant and one from the Respondent. However, not all evidence filed by a party is considered on an appeal under section 56. The jurisprudence establishes evidence filed on a section 56 appeal will only be considered if it is "material", a word not defined in the *Act*. However, both the Federal Court of Appeal and this Court have addressed the meaning of material evidence in the following cases.

[32] Justice de Montigny in *Clorox* recently confirmed that to be material, new evidence under section 56 must be "sufficiently substantial and significant" and "of probative value":

21 When the new evidence is found to be material — which has been interpreted to mean “sufficiently substantial and significant” (*Levi Strauss & Co. v. Vivant Holdings Ltd.*, 2005 FC 707 (F.C.) at para. 27, (2005), 276 F.T.R. 40 (F.C.)) and of “probative value” (*Tradition Fine Foods Ltd. c. 3102-6636 Québec Inc.*, 2006 FC 858 (F.C.) at para. 58, (2006), 51 C.P.R. (4th) 342 (F.C.)) — subsection 56(5) of the *Act* states that the Federal Court “may exercise any discretion vested in the Registrar”. This is in the nature of an appeal de novo and calls for the correctness standard. In *Vavilov*, the Supreme Court was clear that reasonableness is the presumptive standard of review when a court reviews the merits of an administrative decision. Such a presumption will be rebutted, however, when the legislature has clearly signalled that a different standard should apply. This is precisely what subsection 56(5) does, and I see no reason not to give effect to this legislative intent.

[Emphasis added]

[33] See also *Vivat Holdings Ltd v Levi Strauss & Co*, 2005 FC 707 [*Vivat*] [Layden-Stevenson J] which requires new evidence to be sufficiently substantial and significant, of probative significance, and not merely supplemental or repetitive of existing evidence:

[27] To affect the standard of review, the new evidence must be sufficiently substantial and significant. If the additional evidence does not go beyond what was in substance already before the board and adds nothing of probative significance, but merely supplements or is merely repetitive of existing evidence, then a less deferential standard is not warranted. The test is one of quality, not quantity: *Garbo Group Inc. v. Harriet Brown & Co.* (1999), 1999 CanLII 8988 (FC), 3 C.P.R. (4th) 224 (F.C.T.D.); *Canadian Council of Professional Engineers v. APA – Engineered Wood Assn.* (2000), 2000 CanLII 15543 (FC), 7 C.P.R. (4th) 239 (F.C.T.D.); *Mattel, Inc. v. 3894207 Canada Inc.* (2004), 2004 FC 361 (CanLII), 30 C.P.R. (4th) 456 (F.C.).

[Emphasis added]

[34] The Federal Court of Appeal in *Seara Alimentos Ltda. v Amira Enterprises Inc.*, 2019 FCA 63 [*Seara*] [Gauthier JA] at paras 23 – 25 confirms only evidence that would have

materially affected the TMOB's findings of fact or the exercise of its discretion is material.

Materiality is a preliminary test to determine if, on appeal, this Court will have to reassess the evidence on a given issue. This test cannot and should not involve such a reassessment up front to determine if it would ultimately change the result or outcome. The materiality test addresses the significance and probative value of the new evidence. If the proffered evidence merely supplements or confirms the findings of the TMOB, it cannot be said to be "material" enough to warrant being admitted. The additional evidence must not be repetitive and should enhance the overall cogency of the evidence on the record. The Court in *Seara* put the question this way: could the new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of discretion of the TMOB?

[23] As mentioned, the test for admitting new evidence pursuant to subsection 56(5) of the Act has been formulated as whether the additional evidence adduced in the Federal Court "would have materially affected the Registrar's findings of fact or the exercise of his discretion" (*Molson Breweries* at para. 51, *per* Rothstein J.A.). The use of "would have" must be understood in its proper context. It is a preliminary test to determine if, on appeal, the Federal Court will have to reassess the evidence on a given issue. This test therefore cannot and should not involve such a reassessment up front to determine if it would ultimately change the result or outcome. This is why in the formulation of the test in French the "would have" has been consistently translated as "aurait pu avoir" (see e.g. *Rogers Communications Inc. c. Society of Composers, Authors and Music Publishers of Canada*, 2012 CSC 35 at para. 71; *Pizzaiolo Restaurants inc. C. Les Restaurants La Pizzaiolle inc.*, 2016 CAF 265 at para. 2; *Brasseries Molson c. John Labatt Ltée*, 2000 CanLII 17105 (FCA), [2000] 3 C.F. 145 at para. 51 (C.A.)).

[24] Furthermore, it is well understood that the materiality test addresses the significance and probative value of the new evidence. If the proffered evidence merely supplements or confirms the findings of the TMOB, then it cannot be said to be "material" enough to warrant being admitted (see *U-Haul International Inc. v. U Box It Inc.*, 2017 FCA 170 at para. 26). To be "material", the additional evidence must not be repetitive and should enhance the overall cogency of the evidence on the record

(*Cortefiel, S.A. v. Doris Inc.*, 2013 FC 1107 at para. 33, aff'd 2014 FCA 255; see also *Servicemaster Company v. 385229 Ontario Ltd. (Masterclean Service Company)*, 2015 FCA 114 at paras. 23-24).

[25] The question is thus: could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of discretion of the TMOB? In other words – in the context of the confusion analysis in this case – could this evidence lead to a different conclusion in respect of one or more of the factors set out in subsection 6(5) of the *Act* and the balancing underpinning the conclusion as to whether confusion was likely?

[Emphasis added]

[35] The following jurisprudence gives further guidance on whether new evidence is material:

(i) Justice de Montigny, as he then was, in *Hawke & Company Outfitters LLC v.*

Retail Royalty Company, 2012 FC 1539 [*Hawke*] held material evidence is not which pertains to facts posterior to the relevant material date, or that which merely supplements or confirms earlier findings:

[31] It is well established that when additional evidence is filed, the test is “one of quality, not quantity”: see *Canadian Council of Professional Engineers v APA – The Engineered Wood Assn*, 2000 CanLII 15543 (FC), [2000] FCJ no 1027 (QL), 7 CPR (4th) 239 (FC) at para 36; *Wrangler Apparel Corp v Timberland Co*, 2005 FC 722 at para 7. Evidence that merely supplements or confirms earlier findings, or which pertains to facts posterior to the relevant material date, will be insufficient to displace the deferential standard of reasonableness.

[Emphasis added]

(ii) Justice LeBlanc, as he then was, followed Justice de Montigny in *Kabushiki*

Kaisha Mitsukan Group Honsha v Sakura-Nakaya Alimentos Ltda., 2016 FC 20

[*Kabushiki*] and held that evidence that merely supplements or confirms earlier

findings, or which pertains to facts posterior to the relevant material date, in not material:

[19] ... In other words, evidence that “merely supplements or confirms earlier findings, or which pertains to facts posterior to the relevant material date” is not sufficient to displace the burden. Moreover, the test is “one of quality, not quantity” (*Canadian Council of Professional Engineers v Apa – The Engineered Wood Assn*, 2000 CanLII 15543 (FC), [2000] 184 FTR 55, at para 36, 7 CPR (4th) 239; *Timberland Co v Wrangler Apparel Corp*, 2005 FC 722, at para 7, 272 FTR 270).

[Emphasis added]

[36] In summary, new evidence may be material if it is sufficiently substantial and significant and of probative value (*Clorox* at para 21; *Seara* at para 24; *Vivat* at para 27). The evidence must be that which would have materially affected the Registrar’s findings of fact or exercise of discretion (as explained in *Seara* at para 23). It must not merely supplement or confirm earlier evidence (*Seara* at para 24; *Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19), must not pertain to facts posterior to the relevant material date (*Hawke* at para 31; *Kabushiki* at para 19), and must not be repetitive (*Seara* at para 24). The test for materiality is one of quality not quantity (*Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19) and it should enhance the overall cogency of the evidence on the record (*Seara* at para 24). The question is “could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of a discretion of the TMOB?” (*Seara* at para 25).

E. *Material dates*

[37] Material new evidence is to be assessed as of certain material dates. The parties agree on the material dates for each ground of opposition:

- Subsection 16(1): the material date for confusion with a trade-mark previously known or made known is established in subsection 16(1) of the *Act* itself as “at the date on which he or his predecessor in title first so used it or made it known”. I refer to this as the date of first use. In this case the material date of first use is January 1, 2012;
- Section 2: the material date for distinctiveness of the trade-mark is the date of filing of the opposition, see *Stargate*, in this case June 26, 2014;
- Paragraph 12(1)(d): the material date for confusion with registered trade-mark is the date of the Decision of the TMOB, see *Park*, in this case July 31, 2017.

F. *Analysis of materiality of new evidence under subsection 16(1) of the Act*

[38] Because it has the earliest of the three material dates, I will first assess the materiality of the new evidence in terms of subsection 16(1) of the *Act* and do so as of its material date. The material date is the date of first use. The parties agree the material date of first use was January 1, 2012. Subsection 16(1) provides:

**Registration of marks used
or made known in Canada**

16 (1) Any applicant who has
filed an application in

**Enregistrement des marques
employées ou révélées au
Canada**

16 (1) Tout requérant qui a
produit une demande selon

accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with goods or services is entitled, subject to section 38, to secure its registration in respect of those goods or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with

(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;

[Emphasis added]

l'article 30 en vue de l'enregistrement d'une marque de commerce qui est enregistrable et que le requérant ou son prédécesseur en titre a employée ou fait connaître au Canada en liaison avec des produits ou services, a droit, sous réserve de l'article 38, d'en obtenir l'enregistrement à l'égard de ces produits ou services, à moins que, à la date où le requérant ou son prédécesseur en titre l'a en premier lieu ainsi employée ou révélée, elle n'ait créé de la confusion:

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

[Je souligne]

[39] It may be useful to repeat here the summary of jurisprudence on material evidence determined above. New evidence may be material if it is sufficiently substantial and significant and of probative value (*Clorox* at para 21; *Seara* at para 24; *Vivat* at para 27). The evidence must be such that it would have materially affected the Registrar's findings of fact or exercise of discretion (as explained in *Seara* at para 23). It must not merely supplement or confirm earlier evidence (*Seara* at para 24; *Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19). It must not pertain to facts posterior to the relevant material date (*Hawke* at para 31; *Kabushiki* at para 19), and must not be repetitive (*Seara* at para 24). The test for materiality is one of quality not quantity (*Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19) and it should enhance the overall cogency of the evidence on the record (*Seara* at para 24).

[40] At this point, the Court will conduct a preliminary analysis in respect of which the question is: “could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of a discretion of the TMOB?” (*Seara* at para 25).

[41] In the following analysis, I find almost all the Applicant’s additional or new evidence fails to meet the test of materiality per subsection 16(1) primarily because it pertains to facts posterior to the date of first use contrary to *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1) itself. It is also inadmissible to the extent it repeats what he filed in the Vaccaro 2015 Affidavit. I note some of the alleged new evidence may be relevant to submissions under section 2 and paragraph 12(1)(d) of the *Act*. However, because the Applicant fails in its appeal under subsection 16(1), these additional grounds are not considered further.

(1) Vaccaro 2019 Affidavit filed by the Applicant

[42] I will start with the Vaccaro 2019 Affidavit filed in this Court. Mr. Vaccaro also filed the Vaccaro 2015 Affidavit that was before the TMOB.

[43] The Applicant submits the Vaccaro 2019 Affidavit consists of substantive new evidence addressing the TMOB’s refusal of the applications. The Respondent disputes the materiality of the Applicant’s new evidence to the subsection 16(1) analysis, submitting all his evidence pertains to facts after the material date and is therefore inadmissible. The material date under subsection 16(1) is the date of first use, namely January 1, 2012.

[44] To recall, the subsection 16(1) analysis asks whether a trade-mark is confusing with a trade-mark previously used in Canada or made known in Canada. If it is, the Applicant is not entitled to register the mark:

Registration of marks used or made known in Canada

16 (1) Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with goods or services is entitled, subject to section 38, to secure its registration in respect of those goods or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with

(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;

[Emphasis added]

Enregistrement des marques employées ou révélées au Canada

16 (1) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce qui est enregistrable et que le requérant ou son prédécesseur en titre a employée ou fait connaître au Canada en liaison avec des produits ou services, a droit, sous réserve de l'article 38, d'en obtenir l'enregistrement à l'égard de ces produits ou services, à moins que, à la date où le requérant ou son prédécesseur en titre l'a en premier lieu ainsi employée ou révélée, elle n'ait créé de la confusion:

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

[Je souligne]

[45] The Vaccaro 2019 Affidavit provides allegedly new evidence under a number of headings. Mr. Vaccaro first explained his role as the President of the Applicant, explained his day-to-day responsibilities, and outlined his knowledge of the business, which put him in the

position to provide an affidavit about the business. He then provided the following additional information:

1. Background of the Applicant (paras 4 - 9): Mr. Vaccaro explains the business background of the Applicant including its creation and Mr. Vaccaro's role and responsibilities in the business. He states the Applicant's position in the market as a manufacturer that often incorporates diamonds and gold originating from Canada in its jewellery, its size including number of staff, and trade publications in which the Applicant was featured. Mr. Vaccaro states the Applicant "sells its products to end users in Canada through a network of over 1,000 retailers across Canada, including retailers in 10 provinces and 2 territories" and shows a copy of the GOLD Mark. In my view and on a preliminary assessment, this evidence is not material for several reasons. First, virtually all the business background information is substantially the same as his evidence in the Vaccaro 2015 Affidavit filed at the TMOB. The Vaccaro 2019 Affidavit is therefore repetitive and contrary to *Seara* at para 24, *Vivat* at para 27, *Hawke* at para 31 and *Kabushiki* at para 19. What differs is in my view neither sufficiently substantial and significant nor of much, if any, probative value such that it could have had a bearing on a finding of fact or the exercise of a discretion of the TMOB. In addition this evidence is not material because it pertains to facts posterior to the material date of first use which the parties agreed was January 1, 2012. For example, when Mr. Vaccaro says the Applicant "sells its products to end users in Canada through a network of over 1,000 retailers across Canada", he uses the present tense to describe the situation as of April 12, 2019 when his affidavit was

sworn. Thus, this additional or new evidence pertains to facts up to seven years after the first use of the GOLD Mark on January 1, 2012. Indeed, all the sales information is posterior to the relevant date of first use under a subsection 16(1) ground of appeal, and thus not material per *Hawke* at para 3, *Kabushiki* at para 19, and is contrary to subsection 16(1) itself.

2. Adoption of the GOLD Marks in Canada (paras 10 - 12): Mr. Vaccaro explains the Applicant had planned in late 2011 to launch a collection of jewellery with gold originating in Canada. He says around that time he created a floral design element that became the GOLD Mark. He says it was based on the maple leaf and the combined design elements from another registered mark owned by the Applicant to demonstrate continuity of the Applicant's brand. He says the words TRULY and CANADIAN were similarly borrowed from other marks belonging to the Applicant. He says on January 1, 2012 the Applicant first used the GOLD Mark. This date is not disputed as the date of first use for the purposes of subsection 16(1), which is in any event repetitive of the Vaccaro 2015 Affidavit. With respect, I do not see this evidence as relevant or probative under subsection 16(1). The date of creation has no bearing on a subsection 16(1) analysis, or on any subsection 6(5) factor because it is common ground the GOLD Mark was not used before the subsection 16(1) material date of first use, namely January 1, 2012. It is also common ground that the GOLD Mark was created two to four years after the CORONA Mark started being used in Canada in 2008. The CORONA Mark was registered on May 19, 2010. On this preliminary assessment, I am unable to find the new evidence sufficiently substantial and significant nor of

much, if any, probative value such that it could have had a bearing on a finding of fact or the exercise of a discretion of the TMOB.

3. Use of the GOLD Mark in Canada (paras 13 - 16): Mr. Vaccaro states the Applicant has used the GOLD Mark since its first use on January 1, 2012. He states the Applicant used the GOLD Mark with packaging surrounding or accompanying its goods and provides sample images. The Respondent submits, and with respect, I agree that none of this evidence is material on a subsection 16(1) ground of appeal because all this evidence pertains to facts posterior to the material date of first use of January 1, 2012. Therefore is not material per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1) itself.

4. Modes of sale of the Applicant's goods (paras 17 - 22): Mr. Vaccaro explains how retailers typically purchase goods from the Applicant. He states the GOLD Mark appears prominently through brochures and catalogues, jewellery displays and posters and signage provided to retailers. In my view, all of this information is posterior to the relevant date and may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1) itself.

5. Revenues (paras 23 - 25): Mr. Vaccaro states since January 1, 2012, the Applicant has sold in excess of \$10 million of goods bearing the GOLD Mark annually in Canada. He provides sample invoices and explains them. He states the GOLD Mark appears prominently on many of the catalogues and brochures. In my

respectful view, on a preliminary assessment, this evidence is not material because it deals with events and activities posterior to the relevant date namely the date of first use; it may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1).

6. Promotion of the GOLD Mark in Canada (paras 26 - 27): Mr. Vaccaro states since January 1, 2012, the Applicant promoted the GOLD Mark in Canada. He says the fact the goods are made in Canada by Canadians is very important to the Applicant – something emphasized in promotional materials and advertisements and by the retailers when selling the Applicant’s goods to customers. While he makes other statements, in my view this activity involves the requested trademark after the relevant date of first use. In my respectful view, on a preliminary assessment, this evidence is not material because it deals with events and activities posterior to the relevant date namely the date of first use; it may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1).

7. Brochures and flyers (paras 28 - 36): Mr. Vaccaro states the Applicant creates, publishes and circulates a variety of brochures, catalogues and flyers throughout the year, which promote the GOLD Mark in association with its goods – during the Valentines’ Day season, the Spring season, and the Christmas season. This is the substantially the same type of information previously filed in the Vaccaro 2015 Affidavit in my preliminary view. Therefore, in my view it is not material because it merely supplements in a minor way and is repetitive of the evidence

below, contrary to *Seara* at para 24, *Vivat* at para 27, *Hawke* at para 31 and *Kabushiki* at para 19. In addition, all this evidence pertains to facts posterior to the relevant material date and may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1) of the *Act*.

8. Magazine advertisements (paras 37 - 41): Mr. Vaccaro says since 2012 the Applicant has promoted the GOLD Mark in association with its goods through print and online magazine advertisements. Mr. Vaccaro says how many individuals on average the various jewellery magazine reaches, the demographics and provides samples of the advertisements and invoices. Again, this evidence pertains to facts posterior to the relevant date, namely the date of first use per subsection 16(1). Therefore, it is not considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1).

9. Website (paras 42 - 44): Mr. Vaccaro states since at least January 2012, the Applicant has promoted the GOLD Marks in association with its goods on its website and since 2018 has used a business-to-business portal to promote its goods to retailers. Once again, on a preliminary assessment, all of this activity pertains to facts posterior to the relevant date of first use and may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1).

10. Sponsorships (paras 45 - 47): Mr. Vaccaro states since 2014 the Applicant has sponsored the Jewellers' Golf Tournament and the Jewellers' Ball. The Applicant has also offered the Giovanni Vaccaro Family Scholarship since 2013. Once again, all this activity pertains to facts after the relevant material date of first use, and therefore is not material new evidence and may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1).

11. Exhibitions and tradeshow (paras 48 - 49): Mr. Vaccaro states the Applicant has attended and promoted its goods at a number of jewellery exhibitions and tradeshow in Canada and provides a list of tradeshow attended and says the GOLD Mark has been promoted since January 2012. However, this and other related evidence provided by Mr. Vaccaro pertains to facts posterior to the relevant date of first use of the GOLD Mark and as such is not material new evidence and may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19, and subsection 16(1).

12. Promotional expenditures (para 50): Mr. Vaccaro says the Applicant has spent well in excess of \$200,000 per year on promotion and advertisement of the GOLD Mark in association with its goods. However, and once again, all this evidence pertains to facts posterior to the material date of first use and may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1).

13. Instances of confusion (para 51 - 52): Mr. Vaccaro states, as President of the Applicant, any questions regarding confusion of the GOLD Mark as a brand would be ultimately directed to him. Essentially, he says that because he was not aware of any instances of confusion on the part of any customer or retailer, there was no evidence of confusion. In my view, this evidence once again pertains to facts posterior to the material date of first use and may not be considered under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19, and subsection 16(1).

(2) Singh Affidavit filed by the Applicant

[46] The Singh Affidavit provides evidence of shop-in-shop retail displays gathered by the articling student of counsel for the Applicant on April 10, 2019 in Ontario. However, this information was gathered well after the material date for a subsection 16(1) ground of appeal, namely the date of first use of the GOLD Mark on January 1, 2012. Thus, on a preliminary assessment, this alleged new evidence is not material because it pertains to facts posterior to the material date of filing the application and is thus not material under a subsection 16(1) ground of appeal per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1). I also note the Applicant did not refer to this evidence in its written or oral submissions.

(3) Soare 2019 Affidavit filed by the Respondent

[47] In its memorandum and in oral argument, the Applicant relied upon some parts of the Soare 2019 Affidavit:

1. Origin of gold jewellery: In oral and written submissions, the Applicant relies on the portion of the Soare 2019 Affidavit and her cross-examination where she explains the CORONA Mark assures consumers that all gold was mined and refined in Canada. The Applicant submits the Respondent has admitted the words of the CORONA Mark provide notice to their customers the gold is certified as originating from Canada. In my view and on a preliminary assessment, this evidence is not material for several reasons. First, this information is already in the record having been included in the Soare 2014 Affidavit such that this information is repetitive and contrary to *Seara* at para 24, *Vivat* at para 27, *Hawke* at para 31 and *Kabushiki* at para 19. It supplements in a minor way what was already in the record contrary to *Seara* at para 24. In addition, what differs is neither sufficiently substantial and significant nor of probative value such that it could have had a bearing on a finding of fact or the exercise of a discretion of the TMOB under a subsection 16(1) ground of appeal.

2. Retailers: In its written submissions, the Applicant relies on a statement made by Ms. Soare on cross-examination when she agreed the Respondent's retailers are very familiar with their trade-marks, and end consumers may be even more knowledgeable than its retailers. Below is this section of the cross-examination:

29. Q. And so I take it these retailer customers of yours that you are experienced with, I take it that they are experienced jewellers?

A. I would say yes and no.

30. Q. Okay.

A. Some of them probably just started the business. Some of them are definitely in business for, I don't know, quite a few years, but sometimes their children are taking over and they may not be that experienced.

31. Q. Okay. And would you agree with me though that the retailers you are dealing with are more experienced than a consumer or a member of the public?

A. I would say lately I kind of, you know consumers are very -- you know, it's changed. Basically the consumer changed, you know, with the Internet and everything, you know. Sometimes they actually know more than the retailer just by, you know, searching things and, you know, how the diamonds are mined and how, you know, they are cut and things like this. So I can't hundred percent agree with you.

32. Q. Okay. So the end customer in your opinion sometimes is knowledgeable as some of the jewellers.

A. In some cases possible.

...

302. Q. Right. I take it because of the obviously volume of sales and so forth, that the retail customers are very familiar with your product and the trademarks that are on them?

A. I would say yes.

[48] The Applicant says the Respondent holds the same view it did in *Gemme Canadienne PA Inc. v 844903 Ontario Ltd.*, 2007 CanLII 81543 (TMOB) [*Gemme*] that retailers and end-consumers are deliberate in the decision-making process, reducing the chances of confusion even on first impression. However, the TMOB considered this argument in its Decision:

[56] The Applicant however submits that both it and the Opponent are in the jewellery business selling products that customers purchase with considerable thought and attention to detail. Accordingly, the Applicant submits, customers purchasing goods from the Applicant are likely to pay close attention to what they are purchasing and are less likely to be confused into thinking these goods are manufactured, sold or otherwise associated with the Opponent. Further to this, the Applicant relies on *Gemme Canadienne PA Incorporated v 84403 Ontario Limited (Corona Jewellery Company)*, 2007 CanLII 81543, in that it was decided in that case that despite the fact that the Applicant and Opponent were both operating in the jewellery business, there was no likelihood of confusion between the parties' marks and the opposition was rejected.

[57] The Opponent disagrees and submits that diamonds and jewellery can be emotional and impulse purchases and not all consumers give the same attention to detail. The Opponent cites *Masterpiece* for the proposition that irrespective of the price of the goods, confusion is still a matter of first impression.

[49] Even if the parties' goods are expensive, Justice Rothstein confirms in *Masterpiece Inc. v Alavida Lifestyles Inc.*, 2011 SCC 27 [*Masterpiece*] at para 67 that although consumers in the market for expensive goods may be less likely to be confused, the test is still one of first impression. With respect, the answer by Ms. Soare re the knowledge of consumers is to an extent speculative, and is not remarkable in terms of retailers purchasing from the Respondent. In terms of consumer perspective, it is a borderline important observation. In my view it is neither sufficiently substantial nor significant, nor of such probative value that it could have had a bearing on a finding of fact or the exercise of a discretion.

(4) Summary of analysis and conclusion regarding alleged material new evidence

[50] In summary, I am not persuaded that any of the alleged new evidence filed or relied upon by the Applicant is sufficiently substantial and significant and of probative value (*Clorox* at para

21; *Vivat* at para 27; *Seara* at para 24), such that it could have had a bearing on a finding of fact or the exercise of a discretion of the TMOB in terms of the Applicant's appeal. In most cases, the alleged new evidence is not material because it pertains to facts posterior to, and in many cases, well after the material date for subsection 16(1), which is the date of first use namely January 1, 2012. It is therefore not material per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1) itself. In addition, as seen above, other aspects of the allegedly new evidence offend jurisprudence of this Court and the Federal Court of Appeal because it is repetitive or supplementary or merely confirms earlier evidence (*Seara* at para 24; *Vivat* at para 27; *Hawke* at para 31; *Kabushiki* at para 19).

[51] In coming to this conclusion, I have relied on the settled jurisprudence of this Court and of the Federal Court of Appeal. In this respect, the question for the Court in its preliminary analysis of this alleged material new evidence has been "could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of a discretion of the TMOB?" (*Seara* at para 25). On this preliminary assessment, I am not persuaded (the onus being on the Applicant) the answer is "yes" to any of the alleged additional material evidence. The evidence I have rejected, in my respectful view could not have had a bearing on the TMOB's findings of fact or exercise of discretion (*Seara* at para 23).

IV. Analysis of the TMOB Decision on the *Housen* appellate standard of palpable and overriding error

A. *General*

[52] As discussed above, the Supreme Court of Canada in *Housen* sets out two aspects of appellate review, one for issues of law including readily extricable legal issues, where the standard of review is correctness. The second, for issues of fact and mixed fact and law, excluding readily extricable legal issues, the appellate standard of review is palpable and overriding error, as stated by the Supreme Court of Canada in *Housen* and confirmed by *Vavilov* at para 37:

[37] It should therefore be recognized that, where the legislature has provided for an appeal from an administrative decision to a court, a court hearing such an appeal is to apply appellate standards of review to the decision. This means that the applicable standard is to be determined with reference to the nature of the question and to this Court's jurisprudence on appellate standards of review. Where, for example, a court is hearing an appeal from an administrative decision, it would, in considering questions of law, including questions of statutory interpretation and those concerning the scope of a decision maker's authority, apply the standard of correctness in accordance with *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235, at para. 8. Where the scope of the statutory appeal includes questions of fact, the appellate standard of review for those questions is palpable and overriding error (as it is for questions of mixed fact and law where the legal principle is not readily extricable): see *Housen*, at paras. 10, 19 and 26-37. Of course, should a legislature intend that a different standard of review apply in a statutory appeal, it is always free to make that intention known by prescribing the applicable standard through statute.

[Emphasis added]

[53] In this case, the Respondent says the Applicant did not point to any issue(s) of law. The Appellant did not challenge this assertion in either its written or oral assertions. Accordingly, the Court will presumptively review the TMOB Decision on the appellate standard of palpable and overriding error per *Housen*, unless I am persuaded the appellate standard of correctness is required, e.g., on issues of law.

[54] Before conducting this appellate review, I will deal with threshold issues.

B. *What constitutes a palpable and overriding error?*

[55] For the Applicant to succeed on its appeal under subsection 16(1) the Court must find one or more palpable and overriding errors in the TMOB Decision. Justice Stratas explains the standard of palpable and overriding error in *Mahjoub v Canada (Citizenship and Immigration)*, 2017 FCA 157 [*Mahjoub*]:

[61] Palpable and overriding error is a highly deferential standard of review: *Benhaim v. St. Germain*, 2016 SCC 48, [2016] 2 S.C.R. 352 at para. 38; *H.L. v. Canada (Attorney General)*, 2005 SCC 25, [2005] 1 S.C.R. 401. When arguing palpable and overriding error, it is not enough to pull at leaves and branches and leave the tree standing. The entire tree must fall. See *Canada v. South Yukon Forest Corporation*, 2012 FCA 165, 431 N.R. 286 at para. 46, cited with approval by the Supreme Court in *St. Germain*, above.

[62] “Palpable” means an error that is obvious. Many things can qualify as “palpable.” Examples include obvious illogic in the reasons (such as factual findings that cannot sit together), findings made without any admissible evidence or evidence received in accordance with the doctrine of judicial notice, findings based on improper inferences or logical error, and the failure to make findings due to a complete or near-complete disregard of evidence.

[63] But even if an error is palpable, the judgment below does not necessarily fall. The error must also be overriding.

[64] “Overriding” means an error that affects the outcome of the case. It may be that a particular fact should not have been found because there is no evidence to support it. If this palpably wrong fact is excluded but the outcome stands without it, the error is not “overriding.” The judgment of the first-instance court remains in place.

[65] There may also be situations where a palpable error by itself is not overriding but when seen together with other palpable errors, the outcome of the case can no longer be left to stand. So to speak, the tree is felled not by one decisive chop but by several telling ones.

[Emphasis added]

C. *Analysis under subsection 16(1)*

[56] The TMOB conducted its confusion analysis based on paragraph 12(1)(d). The TMOB also specifically held at para 81 of its Decision that its findings were “equally applicable” to and applied its findings to its analysis under subsection 16(1)(a). Therefore, and as noted, I will review the issue of confusion in the context of the Applicant’s subsection 16(1) ground of appeal. The TMOB Decision contains additional reasons relating to subsection 16(1), which I will also review. In this connection I note that if the Applicant’s appeal based on subsection 16(1) is dismissed, it will not be necessary to consider the Applicant’s additional submissions under section 2 and paragraph 12(1)(d) of the *Act*.

D. *Relevance and consideration of the decision(s) of the Examiner in this appeal*

[57] The Applicant asks the Court to consider the decision of the Examiner on the issue of whether or not to advance their proposed trade-marks applications to publication. It alleged the Examiner allowed the mark to be published which meant the Examiner found no confusion, which the Applicant says should be considered as evidence contrary to the Decision of the TMOB.

[58] I have examined the record in this matter. In fact, the CTR shows the Examiner initially rejected the GOLD Mark for advertising because of confusion with the CORONA Mark and others [CTR p. 128]. However, the Applicant provided further submissions to the Examiner who then allowed advertising [CTR pp. 114 to 124]. While I agree the Examiner agreed to allow

advertising, the Examiner's initial decision was to refuse advertising. There were in fact two different decisions made by the Examiner. I agree the second, allowing advertising, differs from the TMOB's initial Decision to refuse registration. However, the initial decision of the examiner is consistent with the Decision under appeal.

[59] In my respectful view, little if any weight should be given to either decision of the Examiner for several reasons. First, whatever the Examiner did between their initial refusal and subsequent acceptance for advertising took place *ex parte*, that is, it appears without the knowledge of or input from the Respondent. Secondly, the Examiner's reconsideration took place without the benefit of the evidence subsequently filed before the TMOB, which had considerably more information on which to base its Decision.

[60] Thus, I find the TMOB Decision substantially more informed, and thus more reliable, with the result that the Examiner's decisions one way or the other may not be considered determinative; instead they are spent once overtaken by the TMOB process.

[61] The Applicant relied on *Masterpiece* for the proposition a decision by the Examiner should be considered in this case. I disagree for several reasons. First, the facts are quite different in *Masterpiece* from those in this appeal. In *Masterpiece*, the Examiner refused to send the mark for publication, denying the application, but gave written reasons for doing so. There was no TMOB hearing in *Masterpiece*. In the case at bar, the Examiner refused publication but after reviewing submissions from the Applicant, decided to allow publication. After publication, the full TMOB process was engaged resulting in the Decision under appeal not to grant registration.

[62] I note as well, the Federal Court of Appeal considered the relevance of an Examiner's decision in *Saint Honore Cake Shop Limited v Cheung's Bakery Products Ltd.*, 2015 FCA 12 [Boivin JA], also an appeal from a TMOB decision. The Federal Court of Appeal held there was no requirement to consider the Examiner's decision because (as in the case at bar) the case was distinguishable on the facts from *Masterpiece*, the Examiner's decision was in no way determinative, and such argument was misplaced and distinguishable:

39 Finally, the appellant argues before this Court that the judge failed to "consider the Registrar's decision at the Examination stage" to allow the appellant to publish its trade-marks for opposition. This, argues the appellant, is contrary to the Supreme Court of Canada decision in *Masterpiece* at paragraph 112 where it was found that the judge ought to have considered the examination decision as a relevant surrounding circumstance in the context of the confusion analysis.

40 The appellant's argument is misplaced and distinguishable given that the issue in *Masterpiece* concerned an expungement case where the Registrar's only decision available was that of the examiner. In the present case, there was a full Opposition Board proceeding. Unlike *Masterpiece*, where the examiner found confusion, and hence refused registration of Masterpiece Inc.'s marks, the examiner did not address the issue of confusion and her decision was in no way determinative (Appeal Book, Vol. 3A at 1482).

[Emphasis added]

[63] I therefore agree with the Respondent that I need not consider the Examiner's decisions. I should add this issue was not raised in the Notice of Application, nor in the Applicant's memorandum of fact and law, and was addressed only in oral argument.

E. *Subsection 6(5) analysis, part 1*

[64] The TMOB assessed confusion in terms of each statutory factor set out in subsection 6(5), followed by consideration of additional circumstances. I will do the same and will consider and determine whether the TMOB made any palpable and overriding error(s) under the subsection 6(5) statutory factors. Because no additional evidence was admitted, the standard of review is not correctness but presumptively palpable and overriding error (*Clorox* at para 21). The Court will then stand back and determine whether, taken as a whole and in its entirety the Decision is flawed by a palpable and overriding error that goes to the very core of the outcome of the case such that the Decision must be set aside (*Clorox* at para 38).

[65] Before reviewing the confusion analysis, as will become clear, the Applicant disagrees with the TMOB Decision in many respects. In my respectful view, the Applicant is attempting to re-litigate the case and to have this Court reweigh the evidence where it was not successful below. It bears repeating that the Court is reviewing the Decision on a standard of palpable and overriding error. This, and with respect, is a “steep hill to climb” as the Federal Court of Appeal confirmed in *Clorox*:

[38] The appellant now asks this Court to reweigh the evidence and to come to a different conclusion than that reached by the TMOB and the Federal Court. This is a steep hill to climb, considering that on questions of fact and of mixed fact and law, the standard of review is the standard of palpable and overriding error. In other words, the appellant must convince this Court that the Federal Court made an error that is obvious and that goes to the very core of the outcome of the case: *Canada v. South Yukon Forest Corporation*, 2012 FCA 165 at para. 46, 431 N.R. 286. This is an even more deferential standard of review than the standard of reasonableness applied by the Federal Court.

[Emphasis added]

[66] This caution applies equally to this appeal from the TMOB to the Federal Court under section 56. To emphasize, on this section 56 appeal it is not enough for the Applicant to re-litigate the case on a balance of probabilities as it did below. The Applicant must persuade this Court that the TMOB made an error that is obvious and goes to the very core of the outcome of the case, i.e., that the TMOB made a palpable and overriding error such that the tree falls per *Mahjoub* at para 61.

(1) Degree of Resemblance, per paragraph 6(5)(e)

[67] The Supreme Court of Canada in *Masterpiece* states the degree of resemblance is the statutory factor that is often likely to have the greatest effect on the confusion analysis under subsection 6(5), and is where a confusion analysis should start:

[49] In applying the s. 6(5) factors to the question of confusion, the trial judge conducted his analysis in the order of the criteria set forth in s. 6(5), concluding with a consideration of the resemblance between the marks. While it is no error of law to do so, the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis (K. Gill and R. S. Jolliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition* (4th ed. (loose-leaf)), at p. 8-54; R. T. Hughes and T. P. Ashton, *Hughes on Trade Marks* (2nd ed. (loose-leaf)), at §74, p. 939). As Professor Vaver points out, if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar (Vaver, at p. 532). As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start (*ibid.*).

[Emphasis added]

[68] An analysis of the degree of resemblance is required by para 6(5)(e):

What 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

...

(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.

[Emphasis added]

Éléments d'appréciation

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris:

...

e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

[Je souligne]

[69] In its Notice of Application, the Applicant raised the following grounds of appeal in relation to resemblance:

12(f) finding that the parties' trademarks had a high degree of visual resemblance;

12(g) finding that the inclusion of a maple leaf design in the parties' marks, albeit significantly different designs, contributed to the degree of resemblance;

12(h) not taking into account the inclusion of the word TRULY and the different stylization and emphasis of GOLD Mark when considering the degree of resemblance between the parties' trademarks at issue;

[70] Upon consideration I am not persuaded the TMOB erred as alleged by the Applicant in grounds 12(f), 12(g) or 12(h) just set out. It applied the correct legal framework, considered the arguments of the parties, and came to an informed conclusion on the issue of resemblance. The

TMOB determined resemblance favours the Respondent. It found that “when considering the totality of the marks, they are highly similar in appearance, when sounded, and in the ideas suggested”:

[60] In considering the degree of resemblance, the Supreme Court of Canada in *Masterpiece, supra*, sets out that resemblance is defined as the quality of being either like or similar (para 62) and that the approach to assessing resemblance should involve a consideration of whether there is an aspect of a trade-mark that is particularly striking or unique (para 64). Further, while it is generally accepted that the first component of a mark is often the most important for the purposes of distinguishing between the marks, the importance of this factor diminishes if the first component is suggestive or descriptive [*Conde Nast Publications Inc v Union des Éditions Modernes* (1979), 46 CPR (2d) 183 (FCTD); *Sky Solar Holdings Co., Ltd. v Skypower Global*, 2104 TMOB 262 (CanLII) at paras 48-50; *Health4All Products Limited v The Nutraceutical Medicine Company* 111C 2012 TMOB 194 (CanLII) at paras 61-62; *International Business Machines Corporation v Loris Technologies Inc*, 2013 TMBO 136 (CanLII) at para 70; *Reno-Depot v Homer TLC Inc* (2009), 2010 TMBO 11 (CanLII) at para 58]. The law is also clear that when assessing confusion it is not proper to dissect trade-marks into their component parts, rather, marks must be considered in their entirety [*United States Polo Assn v Polo Ralph Lauren Corp* (2000), 2000 CanLII 16099 (FCA) 9. CPR (4th) 51 (FCA) at para 18].

[61] The Opponent submits that the Mark comprises the wording of its CANADIAN CERTIFIED GOLD & Design trade-mark in its entirety, and also comprises a maple leaf design.

[62] The Opponent submits that the words TRULY CANADIAN CERTIFIED GOLD, due to their placement and size in the Mark, are a dominant and integral feature of the Mark. The Opponent submits that although the application for the Mark disclaims the right to the exclusive use of the words TRULY CANADIAN CERTIFIED GOLD, the disclaimer has no effect for the purpose of assessing confusion; even if a word or material is disclaimed as part of a mark, if the disclaimed material is a dominant feature and is an integral part of the mark, the disclaimer has no effect for the purpose of assessing confusion [citing *Standard Coil Products (Canada) Ltd v Standard Radio Corp* (1971) PC 106].

[63] The Applicant submits that its Mark does not resemble any of the Opponent’s CORONA Marks. In particular, the Applicant

stresses that the leaf design element of the Mark and the Opponent's CANADIAN CERTIFIED GOLD Design mark is entirely different, in that the Applicant's leaf design includes an oval insert with a triangular design with the overall shape of the marks being different.

[64] In the present case, I find none of the constituent components of either party's marks to be overwhelmingly striking or unique in and of themselves, however, when considering the totality of the marks, they are highly similar in appearance, when sounded, and in the ideas suggested. Both parties' marks include a maple leaf design and the Applicant has subsumed the entirety of the wording of the Opponent's mark and simply added an adverb to stress the genuine sentiment cast on the remainder of the mark.

[65] Accordingly, I find this factor also favours the Opponent.

[Emphasis added]

[71] In my respectful view, the TMOB was acting within its discretion and on the record before it in finding, as it did that "when considering the totality of the marks, they are highly similar in appearance, when sounded, and in the ideas suggested". This is the essence of ground 12(f) in the Notice of Application (the Decision does not use the words 'high degree of visual resemblance'). In my respectful view, the determination of the degree of resemblance between two marks generally, and these two composite marks specifically, is a highly subjective decision. This finding is not flawed by illogicality or disregard of evidence per *Mahjoub* at para 62. I am not persuaded the TMOB made a palpable and overriding error in this respect.

[72] The TMOB found none of the constituent components of either party's marks were "overwhelmingly striking or unique in and of themselves." However, when considering the totality of the marks the TMOB found they are "highly similar in appearance, when sounded, and in the ideas suggested." It noted both parties' marks include a maple leaf design. The TMOB

concluded the Applicant has subsumed the entirety of the wording of the CORONA Mark and simply added an adverb to stress the genuine sentiment cast on the remainder of the GOLD Mark.

[73] The Applicant disagrees with this conclusion, observing that while both marks have the phrase CANADIAN CERTIFIED GOLD, they differ significantly in appearance. The CORONA Mark has the words in ordinary script one below the other, all below a 10-point maple leaf. The GOLD Mark adds the word TRULY with the words emphasized in different font size and stylized script, distinguishing two portions of the phrase, and includes a 9-point maple leaf.

[74] It is apparent from paras 63 and 64 of the TMOB's reasons just quoted above it considered the Applicant's arguments in this respect. However, it did not agree and found the two marks "highly similar in appearance, when sounded, and in the ideas suggested." This was open to it. There is no illogicality or failure to adhere with the evidence in this connection, nor is this aspect of its decision flawed by palpable and overriding error.

[75] The Respondent submits the Applicant uses an incorrect method in its submissions by putting the marks side-by-side and dissecting them into their component parts. I agree this is not the proper approach; the TMOB must look at, and in my view, did consider the entirety of the two marks per *Masterpiece* at para 76 and *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée.*, 2006 SCC 23 [*Veuve Clicquot*] at para 20. In my view, the TMOB conducted its review on the entirety of the marks, and in doing so simply considered a number of issues on which the parties disagreed.

[76] It was open to the TMOB to find neither design portion of the competing marks particularly striking or unique. This conclusion by the TMOB answers the Applicant's argument in ground 12(g) that the two maple leaf designs were "significantly different;" The TMOB found otherwise and I am not persuaded of any illogicality or disregard of evidence in this connection.

[77] In ground 12(h) in its Notice of Application, the Applicant submits it should have succeeded in differentiating its mark from that of the Respondent by the addition of the word TRULY and regarding design stylization difference. The TMOB considered these submissions and rejected them. The difficulty for the Applicant is the wording is not only substantially the same; it is identical except for one word added by the Applicant: "TRULY". This, as the TMOB found, does little more than stress the sentiment of the rest of the mark. The TMOB concluded:

[64] In the present case, I find none of the constituent components of either party's marks to be overwhelmingly striking or unique in and of themselves, however, when considering the totality of the marks, they are highly similar in appearance, when sounded, and in the ideas suggested. Both parties' marks include a maple leaf design and the Applicant has subsumed the entirety of the wording of the Opponent's mark and simply added an adverb to stress the genuine sentiment cast on the remainder of the mark.

[Emphasis added]

[78] I am not persuaded of any illogicality or evidentiary disregards in this connection, nor do I find a palpable and overriding error in this determination.

[79] The Applicant submits the word elements are terms that describe the goods and should be available to all traders in the industry. The Applicant submits the Respondent cannot be granted a monopoly over the words such that all other jewellery trade is prevented from using them. There

is no merit in this argument. First, all trade-marks grant a limited monopoly to the holder; that is what trade-marks do whether granted by the common law or by registration under the *Act*. In addition, the dispute in this case was not over a word mark but between two composite marks, that is, a word marks coupled with designs and it is the totality or entirety of the composite mark that is protected by registration.

[80] The Applicant submits the Respondent's 11-point maple leaf (in my view it has only 10 points) is common in association with gold and jewellery, such that given the descriptive nature of the word elements of the CORONA Mark, the average consumer will look at small differences between the marks to distinguish them. Therefore, the Applicant submits the GOLD Mark should be afforded a very limit scope of protection.

[81] With respect, this argument was considered and rejected by the TMOB: "As alluded to earlier, the test to be applied is a matter of first impression in the mind of the casual consumer somewhat in a hurry, who sees the Mark when he or she has no more than an imperfect recollection of the Opponent's CANADIAN CERTIFIED GOLD Design 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". This analysis is not flawed by illogicality or disregard of evidence. I am not persuaded it is a palpable and overriding error in this respect.

[82] The TMOB found the two marks "highly similar in appearance, when sounded, and in the ideas suggested". With respect, there is no palpable and overriding error in the TMOB's consideration of resemblance in this respect either. The Board approached the matter within the

proper legal framework. The findings it made were open to it on the record, particularly given the standard of review of a palpable and overriding error. Both marks consist of a leaf design and the wording CANADIAN CERTIFIED GOLD. It was certainly open to the TMOB to find the stylization of the word elements and use of script font would not affect the recollection of the average consumer who would not remember the small differences, rather, they would remember the message CANADIAN CERTIFIED GOLD. With respect, these findings contain neither illogicality nor disregard of evidence. There is no palpable and overriding error in this respect.

[83] In summary, there is no palpable and overriding error in the TMOB's reasons respecting resemblance.

- (2) Inherent distinctiveness and extent to which the marks have become known, per paragraph 6(5)(a)

[84] Paragraph 6(5)(a) provides:

What 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;

Éléments d'appréciation

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris:

a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;

[Emphasis added]

[Je souligne]

[85] The Applicant in its Notice of Application submits the TMOB erred as follows:

12(a) finding that the words TRULY CANADIAN CERTIFIED GOLD in BHJ's mark had "little inherent distinctiveness";

12(b) inferring that a substantial portion of the sales figures provided in Corona's evidence pertained to jewellery and gold in association with the Corona Mark when Corona made reference to use of four other trademarks in its Statement of Opposition and provided no breakdown of the sales figures as between the trademarks relied upon by Corona in its affidavit evidence;

[86] The TMOB held in favour of the Respondent on paragraph 6(5)(a). It found the two competing marks had "some measure" of *inherent* distinctiveness. However, the TMOB in its considered analysis held the CORONA Mark had greater *acquired* distinctiveness because of longer period of use, substantial sales, and extensive promotion.

[87] I agree with the Applicant that distinctiveness requires consideration of both the inherent distinctiveness of the mark and the extent to which the mark has acquired distinctiveness through use in the marketplace: *United Artists Corp. v Pink Panther Beauty Corp.*, [1998] FCJ No. 441

(CA) [Linden JA]:

[23] The first item listed under subsection 6(5) is the strength of the mark. This is broken down into two considerations: the inherent distinctiveness of the mark, and the acquired distinctiveness of the mark. Marks are inherently distinctive when nothing about them refers the consumer to a multitude of sources. Where a mark may refer to many things or, as noted earlier, is only descriptive of the wares or of their geographic origin, less protection will be afforded the mark. Conversely, where the mark is a unique or invented name, such that it could refer to only one thing, it will be extended a greater scope of protection.

[Emphasis added]

[88] I also note the Supreme Court of Canada described distinctiveness in *Mattel, Inc. v 3894207 Canada Inc.*, 2006 SCC 22 [*Mattel*] at para 75 as: “distinctiveness is of the very essence and is the cardinal requirement of a trade-mark”, citing to *Western Clock Co. v Oris Watch Co.*, 1931 CanLII 372 (FC), [1931] Ex. C.R. 64, per Audette J, at para 67.

[89] Applying this law to the facts of this case, the TMOB disagreed with the Applicant and held in favour of the Respondent on distinctiveness per paragraph 6(5)(a):

[41] The overall consideration of the section 6(5)(a) factor, involves a combination of inherent and acquired distinctiveness of the parties’ marks.

[42] The Applicant’s Mark consists of a stylized maple leaf design and the words “TRULY CANADIAN CERTIFIED GOLD”. On the other hand, the Opponent’s mark also consists of a stylized maple leaf design, with the words “CANADIAN CERTIFIED GOLD”.

[43] The Opponent submits that each of the CORONA Marks is inherently distinctive in respect of the goods, namely, jewellery and gold. More particularly, with respect to its CANADIAN CERTIFIED GOLD Design mark, the Opponent submits that this mark includes a unique combination of words phrased in a manner that is not how one normally would say such words, which provides for some inherent distinctiveness of this mark. On the other hand, with respect to the Applicant’s Mark, the Opponent submits that, overall, it is inherently distinctive of the goods, but the word portion of the Mark specifically, is highly suggestive of the goods, namely, jewellery comprising Canadian gold.

[44] The Applicant submits that the leaf design in the Opponent’s CERTIFIED CANADIAN GOLD Design mark is simply a maple leaf, which is inherently weak, as is shown through the state of the register evidence filed under the Anastacio affidavit. With respect to the word portion CERTIFIED CANADIAN GOLD, the Applicant further submits, this is descriptive of gold as being certified in Canada, the place of origin of the goods.

[45] With respect to its own Mark, the Applicant submits that the Opponent admits that the Mark is distinctive. The Applicant submits that the Mark contains a distinctive maple leaf design which does not have a stem like any of the Opponent's CORONA Marks which feature a maple leaf design, and the words TRULY CANADIAN appear in stylized script with block lettering of the words CERTIFIED GOLD; the overall impact being quite distinctive.

[46] While the representation of a maple leaf, in itself, is not inherently distinctive [see *Maple Leaf Gardens, Limited v Barbarian Sportswear Mfg Ltd*, 1994 CanLII 101011, I accept that the maple leaf design elements of the Mark and the Opponent's CERTIFIED CANADIAN GOLD Design mark provide some measure of inherent distinctiveness to the parties' marks, by virtue of their stylized designs.

[47] With respect to the word elements of the parties' marks, the words CANADIAN CERTIFIED GOLD and TRULY CANADIAN CERTIFIED GOLD are highly suggestive if not clearly descriptive of jewellery and gold which is authenticated or guaranteed to have its place of origin in Canada. Thus, I find that the word elements add little inherent distinctiveness to either party's mark.

[48] Nonetheless, the strength of a trade-mark may be increased by means of it becoming known in Canada through promotion or use.

[49] The Opponent submits that based on the Applicant's exhibits, the Mark does not appear to have been used prior to the filing date of the application on September 12, 2012. However, I note that there is evidence of a transaction dated September 4, 2012 for the sale of jewellery sold under the Mark (per Exhibit B invoices to the Vaccaro affidavit). Furthermore, with respect to promotion of the goods in association with the Mark, advertising and promotion in the evidence dates to the Christmas 2012 brochures (Exhibit J to the Vaccaro affidavit), of which 556,500 were distributed in Canada. The evidence shows continuous advertising and promotion of the goods from that time, with the distribution of various seasonal brochures throughout Canada ranging from 27,200 brochures for the Spring 2014 season to 506,201 brochures distributed during the 2013 Christmas season. Accordingly, I accept that the Mark had become known throughout Canada to some extent as of the material date. [ed. The material date of first use per paragraph 12(1)(d) is the date of the TMOB Decision i.e. July 1, 2017, five years after the date of first use].

[50] By contrast, the Opponent submits, the CORONA Marks were all extensively used since at least as early as 2009, and have become well known across Canada. In this regard, the Opponent submits that it has distributed more than 5 million brochures and catalogues displaying one or more of the CORONA Mark each year across Canada to its 200 retailers and their end-customers. Moreover, I am prepared to infer that a substantial portion of the significant sales figures attested to by Ms. Soare pertain to jewellery and gold sold in association with the CANADIAN CERTIFIED GOLD Design mark, as the majority of the Opponent's evidence with respect to use of the CORONA Marks and their promotion specifically pertains to the CANADIAN CERTIFIED GOLD Design mark. That is, this is the mark that is displayed consistently throughout the evidenced brochures and catalogues dating back as early as May 2008 (per Exhibit B to the Soare affidavit, "Lasting Treasures" brochure/catalogue). In addition, the Opponent's evidence also demonstrates that this mark has been associated with the Opponent's goods when sold since 2008 (per Exhibits G, J and K to the Soare affidavit).

[51] In view of the longer period of use, substantial sales, and more extensive promotion over a longer period of time of the Opponent's CANADIAN CERTIFIED GOLD Design mark, I accept that the Opponent's mark has become known in Canada in association with jewellery and gold to a much greater extent than the Mark. Accordingly, I find this factor favours the Opponent.

[Emphasis added]

[90] The TMOB in this considered analysis, found *inherent* distinctiveness favoured the parties equally. The Applicant submits this is an error because its maple leaf design is more stylized than the Respondent's design. It is not an 11-point maple leaf, it contains additional design elements and has a greater degree of inherent distinctiveness. With respect, the TMOB assessed this argument and found against the Applicant concluding both parties' marks had the same inherent distinctiveness: both "provide some measure of inherent distinctiveness to the parties' marks, by virtue of their stylized designs."

[91] With respect to the word elements of the parties' marks, the TMOB held both the words CANADIAN CERTIFIED GOLD and TRULY CANADIAN CERTIFIED GOLD were "highly suggestive if not clearly descriptive of jewellery and gold which is authenticated or guaranteed to have its place of origin in Canada. Thus, I find that the word elements add little inherent distinctiveness to either party's mark."

[92] In my view, these findings were open to the TMOB in this case in its discretion and judgment. I see neither illogicality nor disregard of evidence in respect of the assessment of the design or words of the two marks nor their overall assessment and comparisons.

[93] While I appreciate the Applicant disagrees with this factual determination, I am unable to conclude either finding respecting inherent distinctiveness is palpable or overriding error. This disposes of the Applicant's ground 12(a) of its Notice of Application.

[94] However, in terms of *acquired* distinctiveness, the TMOB favoured the Respondent finding the CORONA Mark had greater acquired distinctiveness than the GOLD Mark based on "the longer period of use, substantial sales, and more extensive promotion over a longer period of time". The Applicant argued it has substantial evidence of use and making known of the Applicant's GOLD Mark, and disputes its mark had become known to a much lesser extent. With respect, there is no merit in this argument. First, on the evidence, the CORONA Mark had been in use since 2008, some four years before the material date of first use of the GOLD Mark for this subsection 16(3) analysis, which was January 1, 2012.

[95] The Respondent adds the TMOB took into account the Applicant's position and still found as it did, and I agree. Regardless, the Respondent submits an error to this effect would not be palpable or overriding, and I also agree. The TMOB set out the legal framework. It conducted a careful, balanced review of both inherent and acquired distinctiveness, there is no illogicality, and its findings are certainly justified on this record.

[96] I note the Applicant relies on the *Gemme* decision relating to the Respondent's GEOMETRIC Design for diamond jewellery. In the facts of that case, the TMOB said trade-marks including a diamond design and/or a maple leaf possessed little inherent distinctiveness, and were suggestive of "jewellery" and Canada. There, the Respondent's application for the GEOMETRIC Design was opposed and the TMOB in *Gemme* found:

[20] The opponent's design mark possesses little inherent distinctiveness as the diamond design component of the mark is suggestive of the applicant's wares and services, that is, of jewellery and precious or semi-precious gems. The other design component of the mark namely, the image of the maple leaf, is symbolic of Canada and, as may be inferred from Ms. McDonald's evidence is a fairly ubiquitous feature of trade-marks in the Canadian marketplace. Thus, the opponent's mark is a relatively weak mark.

[97] With respect, I do not see *Gemme* as determinative of this case because it is distinguishable. In *Gemme*, the TMOB held there was little inherent distinctiveness in the opponents' design such that it was a relatively weak mark. The case had a different record; there was little or no evidence of acquired distinctiveness of the opponent's mark. Thus, the opposition was dismissed and the mark was registered. This is very different from the present case where the TMOB found the Respondent's mark had a "longer period of use, substantial sales, and more extensive promotion over a longer period of time" than the Applicant, and, the TMOB found the

GOLD Mark “has become known in Canada in association with jewellery and gold to a much greater extent than the [Applicant’s] Mark”. Accordingly, in my view this factor favours the Respondent.

[98] I note again that the Applicant’s GOLD Mark were not used at all before January 1, 2012, whereas the evidence was the CORONA Mark had been in use since 2008 and was registered in 2010 – four and two years before the material date of first use for this subsection 16(3) analysis, which was January 1, 2012. Not only were the facts different, but in addition it is trite law each case must be decided on its own facts and law. *Gemme* was also decided before *Masterpiece*, which affirmed the proper test is one of first impression.

[99] Turning to ground 12(b) in the Notice of Application, the Applicant submits the TMOB made an error when looking at the Respondent’s sales figures when it inferred the majority of sales, based on figures provided for five marks, were associated with the CORONA Mark when no breakdown of sales was provided. The Applicant submits based on this allegedly erroneous finding, the TMOB held the CORONA Mark was known to a “much greater extent” than the GOLD Mark. With respect, there is no palpable and overriding error in this respect. In my view, it was open to the TMOB to draw an inference that a substantial portion of Corona’s sales would have pertained to the use of the Corona Mark. In disputing the drawing of an inference, the Applicant simply disagrees with the weighing and assessing of evidence by the TMOB. In any event, the TMOB’s decision was based not only on inferred sales, but the longer period of use, substantial sales, and more extensive promotion over a longer period of time.

[100] The Applicant further submits a party cannot be permitted to monopolize the suggestive maple leaf in the jewellery industry. With respect, I am not persuaded by this argument. Again, every trade-mark grants its holder to some extent a limited monopoly, either on words or design or a combination of both. If it is truly the case that “no one ought to be permitted to prevent the other members of the community from using for purposes of description a word which has reference to the character or quality of goods” as cited in *Ontario Teachers Pension Plan Board v Canada (Attorney General)*, 2012 FCA 60 [Nadon JA] at para 35, then the Applicant’s application could be dismissed on that basis. More fundamentally, the Respondent had been granted protection through use and registration, to the totality of its mark which includes both its stylized maple leaf design, and the words CERTIFIED CANADIAN GOLD.

[101] The Applicant says the TMOB unreasonably dismissed the state of the register evidence because other registered marks did not include the wording CANADIAN CERTIFIED GOLD. The Anastacio 2015 Affidavit provides a list of other trade-marks registrations with maple leaf designs associated with jewellery, gold and diamonds. The Applicant says the TMOB ignored evidence demonstrating the leaf portion (which the TMOB found was the more distinctive element) was common in the industry. However, this evidence was before the TMOB and I can see no palpable or overriding error in its conclusion based on the record before it.

[102] The Applicant further submits that since 2012 it annually distributed promotional material bearing the GOLD Mark and advertised its mark in and at a number of tradeshow. With respect, there is no palpable and overriding error here, again because I disallowed this alleged new evidence in that it pertained to facts arising posterior to the material date of first use

under a subsection 16(1) ground of appeal, and was not material per *Hawke* at para 31, *Kabushiki* at para 19 and subsection 16(1) itself.

[103] In summary, the TMOB found in favour of the Respondent in terms of acquired distinctiveness and extent made known, but found the two marks the same in terms of inherent distinctiveness. These conclusions are supported by the record. I found no illogicality or disregard of evidence. The TMOB conducted a careful and balanced review, had regard to the proper legal framework, and in my view found as it did in accordance with the record and jurisprudence. I am not persuaded this distinctiveness aspect of the confusion analysis is flawed by palpable and overriding error.

(3) Length of time each mark has been in use, per paragraph 6(5)(b)

[104] Paragraph 6(5)(b) provides that another factor to consider is the length of time each mark has been in use:

What 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

...

(b) the length of time the trade-marks or trade-names have been in use;

Éléments d'appréciation

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris:

...

b) la période pendant laquelle les marques de commerce ou noms

commerciaux ont été en
usage;

[Emphasis added]

[Je souligne]

[105] The Applicant in its Notice of Application submits the TMOB erred as follows:

12(c) finding that the length of time that the parties' respective trademarks had been in use "strongly favoured" Corona;

[106] The TMOB found paragraph 6(5)(b) strongly favoured the Respondent because the CORONA Mark had been in use longer, which with respect was the case. The Applicant submits the CORONA Mark has not been in use for a significantly long time and as previously argued, both marks have been extensively used and promoted in Canada. The TMOB rejected the Applicant's submission:

[52] Having regard to my analysis under section 6(5)(a) of the Act above, I conclude that the Opponent has shown use of its CANADIAN CERTIFIED GOLD Design mark in association with the jewellery and gold over a lengthier period of time.

[53] Accordingly, I find that this factor strongly favours the Opponent.

[Emphasis added]

[107] The Respondent submits, and I agree, the TMOB found this factor strongly favoured the Respondent because of its evidence of use over what I consider a lengthy period of time, beginning at least as early as 2008 – as much as four years longer than that of the Applicant. For the subsection 16(1) ground of appeal, the Respondent properly submits its use of the CORONA Mark starting in 2008 predates the Applicant's first use of the GOLD Mark in January 2012 by

four years. Importantly there was no use of the GOLD Mark before the date of the Applicant’s first use on January 1, 2012.

[108] With respect, it was certainly open to the TMOB to find as it did, on the record. Again, there is neither illogicality nor disregard of evidence. In my respectful view the TMOB’s conclusion is not flawed by palpable and overriding error in respect of paragraph 6(5)(b).

(4) Nature of the goods and channels of trade, per paragraphs 6(5)(c) and (d)

[109] Both paragraphs 6(5)(c) and (d) were argued together by both parties and decided together by the TMOB. These paragraphs state:

What to be considered	Éléments d’appréciation
<p>(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 <u>including</u></p> <p>...</p> <p>(c) the <u>nature of the goods</u>, services or business;</p> <p>(d) the <u>nature of the trade</u>; and</p> <p>[Emphasis added]</p>	<p>(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l’espèce, y <u>compris</u> :</p> <p>...</p> <p>c) le <u>genre de produits</u>, services ou entreprises;</p> <p>d) la <u>nature du commerce</u>;</p> <p>[Je souligne]</p>

[110] In connection with paragraphs 6(5)(c) and (d), the TMOB again found in favour of the Respondent:

[54] It is the Applicant's statement of services as defined in its application versus the Opponent's registered goods and services that govern my determination of this factor [see *Esprit International v Alcohol Countermeasure Systems Corp* (1997), 84 CPR (3d) 89 (TMOB)]. These statements, must be read with a view to determining the probable type of business or trade intended by the parties rather than all possible trades that might be encompassed by the wording. However, evidence of the parties' actual trades is useful in this respect [*McDonald's Corp v Coffee Hut Stores Ltd* (1996), 68 CPR (3d) 168 (FCA)].

[55] There does not appear to be any dispute between the parties that the nature of their goods and the nature of their business or trade is the same.

[56] The Applicant however submits that both it and the Opponent are in the jewellery business selling products that customers purchase with considerable thought and attention to detail. Accordingly, the Applicant submits, customers purchasing goods from the Applicant are likely to pay close attention to what they are purchasing and are less likely to be confused into thinking these goods are manufactured, sold or otherwise associated with the Opponent. Further to this, the Applicant relies on *Gemme Canadienne PA Incorporated v 84403 Ontario Limited (Corona Jewellery Company)*, 2007 CanLII 81543, in that it was decided in that case that despite the fact that the Applicant and Opponent were both operating in the jewellery business, there was no likelihood of confusion between the parties' marks and the opposition was rejected.

[57] The Opponent disagrees and submits that diamonds and jewellery can be emotional and impulse purchases and not all consumers give the same attention to detail. The Opponent cites *Masterpiece* for the proposition that irrespective of the price of the goods, confusion is still a matter of first impression.

[58] Even if the parties' goods are expensive, Justice Rothstein confirms in *Masterpiece* that although consumers in the market for expensive goods may be less likely to be confused, the test is still one of first impression. Justice Senegal of the Superior Court of Quebec in *De Grandpre Joli-Coeur v De Grandpre Chait* (2011) 94 CPR (4th) 129 summarizes the Supreme Court of Canada's discussion on this point in *Masterpiece* as follows at para 97-98:

In *Masterpiece*, the Supreme Court stated that it is an error to believe that, since consumers of expensive goods and services generally take

considerable time to inform themselves about the source of those goods and services, there is a reduced likelihood of confusion. Confusion must instead be assessed from the perspective of the first impression of the consumer approaching a costly purchase when he or she encounters the trade-mark. It is not relevant that consumers are unlikely to make choices based on first impressions or that they will generally take considerable time to inform themselves about the source of expensive goods and services. Careful research which may later remedy confusion does not mean that no confusion ever existed or that it will not continue to exist in the minds of consumers who did not carry out that research.

In the view of the Supreme Court, consideration must be limited to how a consumer with an imperfect recollection of a business's mark would have reacted upon seeing the other company's mark. The question of cost is unlikely to lead to a different conclusion in cases where a strong resemblance suggests a likelihood of confusion and the other factors set out in subsection 6(5) of the Act do not point strongly against a likelihood of confusion.

[my emphasis]

[59] Having regard to the aforementioned, I find these factors favour the Opponent.

[Emphasis added]

[111] The TMOB found the nature of the goods and trade favour the Respondent, and did so because there was no dispute between the parties that the nature of their goods and the nature of their business or trade is the same. The Applicant conceded the nature of goods and channels of trade are substantially the same, such that this factor favours the Respondent.

[112] The Applicant in its Notice of Application submits the TMOB erred as follows:

12(d) concluding that cost of the Applicant's goods was not a factor in the review of confusion between the parties' trademarks when the Applicant argued that clients purchase jewellery with considerable thought and attention to detail without referencing costs;

12(e) not taking into account the findings by the Registrar in *Gemme*;

[113] In terms of ground 12(d), I agree the Applicant submitted both it and the Respondent are in the jewellery business selling products that customers purchase with considerable thought and attention to detail. The Applicant then submitted that customers purchasing goods from the Applicant are likely to pay close attention to what they are purchasing and are less likely to be confused into thinking these goods are manufactured, sold or otherwise associated with the Respondent.

[114] However, the Respondent advanced a counter argument namely that diamonds and jewellery may be emotional and impulse purchases, and that not all consumers give the same attention to detail. The Respondent cites *Masterpiece* for the proposition that irrespective of the price of the goods, confusion is still a matter of first impression.

[115] I agree with the Respondent. Even if the parties' goods are expensive, Justice Rothstein speaking for the Court confirms in *Masterpiece* that although consumers in the market for expensive goods may be less likely to be confused, the test is still one of "first impression", at para 67:

[67] This Court has affirmed that consumers in the market for expensive goods may be less likely to be confused when they encounter a trade-mark, but the test is still one of "first impression". In his reasons, the trial judge used the importance and

cost of expensive goods and services to change the likelihood of confusion test from one of first impression of a trade-mark to a test of consumers being “unlikely to make choices based on first impressions”. This approach is not consistent with the test for confusion under s. 6(5) which has been consistently endorsed by this Court, most recently in *Veuve Clicquot*.

[Emphasis added]

[116] Both the Applicant and the Respondent are manufacturers of gold jewellery in this case, and of diamond jewellery in the Related Diamond Dispute. The Applicant in oral argument (but not in its memorandum or Notice of Application) advanced a different position namely, the consumer perspective was that of a sophisticated retail company purchasing gold jewellery on a wholesale basis in relatively large orders (“in bulk”) from either the Applicant or the Respondent, both sophisticated manufacturer and wholesalers. The Respondent on the other hand submits the consumer in issue is the ultimate purchaser from a retail store, and the test is one of first impression and imperfect recollection.

[117] The jurisprudence provides guidance. The classic test from the Supreme Court of Canada on who is the consumer, is found in *Veuve Clicquot*:

[20] 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 name *Clicquot* on the respondents’ storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT 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...

[118] The Supreme Court of Canada confirms a “casual consumer” does not pause to give the marks detailed consideration, nor a side-by-side comparison as to the differences between the

marks; see *Masterpiece*. The Court should consider the mark as it is encountered by the consumer — as a whole, and as a matter of first impression:

[83] Neither an expert, nor a court, should tease out and analyze each portion of a mark alone. Rather, it should consider the mark as it is encountered by the consumer — as a whole, and as a matter of first impression. In *Ultravite Laboratories Ltd. v. Whitehall Laboratories Ltd.*, 1965 CanLII 43 (SCC), [1965] S.C.R. 734, Spence J., in deciding whether the words “DANDRESS” and “RES DAN” for removal of dandruff were confusing, succinctly made the point, at pp. 737-38: “[T]he test to be applied is with the average person who goes into the market and not one skilled in semantics.”

[Emphasis added]

[119] The Federal Court of Appeal in *Clorox* confirms the test is a matter of first impression of a casual consumer, and also states the consumer may be different in valuable or niche markets:

[32] There is no dispute between the parties as to the proper test for confusion. That test was set out by the Supreme Court in paragraph 20 of *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée.*, 2006 SCC 23, [2006] 1 S.C.R. 824:

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 name *Clicquot* on the respondents’ storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT 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.

[33] The Federal Court was well aware of that test and indeed quoted that very same extract. It is also well established that when applying the test for confusion, the trier of fact must have regard to all the surrounding circumstances, including those specifically enumerated in subsection 6(5) of the *Act*. Again, this is precisely what the Federal Court did in the case at bar, stressing as Justice Rothstein did in *Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27, [2011] 2 S.C.R. 387 (at para. 49) [*Masterpiece*], that the most important criterion is that of resemblance between the marks.

[34] Clorox argued, however that the Federal Court erred in writing that a consumer “is not always hurried to the same extent” for valuable or niche market goods.

[35] I can see no error in that statement. Quite to the contrary, it is consistent with the decision of the Supreme Court in *Mattel*, according to which consumers will be more cautious and take more time in some circumstances:

A consumer does not of course approach every purchasing decision with the same attention, or lack of it. When buying a car or a refrigerator, more care will naturally be taken than when buying a doll or a mid-priced meal...

Mattel at para. 58, citing *General Motors Corp. v. Bellows*, 1949 CanLII 47 (SCC), [1949] S.C.R. 678.

[36] Contrary to Clorox’s argument, the degree of care of the relevant consumer may vary with the circumstances, and the normal channels of trade for a particular good must also be taken into account. This is necessarily the case for JAVELO bleach, which must be ordered by tanker-truck quantities. The Federal Court could therefore take that factor into consideration in assessing the likelihood of confusion, and made no error of law in doing so.

[120] The casual consumer, in *Gemological Institute of America v Gemology Headquarters International*, 2014 FC 1153 [*Gemological*] [Kane J] included both the retailer and end consumer:

[85] Moreover, the confusion is assessed from the perspective of the mythical customer or consumer (*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at paras 56-58, [2006] 1 SCR 772 [*Mattel*]; that consumer includes the whole range from the large wholesalers to jewellery makers to large and small retailers and ultimately the end consumer.

[121] Justice Rothstein in *Masterpiece* states:

[40] At the outset of this confusion analysis, it is useful to bear in mind the test for confusion under the *Trade-marks Act*. In *Veuve Clicquot Ponsardin v. Boutiques Clicquot Ltée*, 2006 SCC 23, [2006] 1 S.C.R. 824, Binnie J. restated the traditional approach, at para. 20, in the following words:

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.

Binnie J. referred with approval to the words of Pigeon J. in *Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp.*, 1968 CanLII 1 (SCC), [1969] S.C.R. 192, at p. 202, to contrast with what is not to be done — a careful examination of competing marks or a side by side comparison.

[Emphasis added]

[122] I conclude the Supreme Court of Canada's definition of consumer in *Veuve Clicquot* is relevant no matter the type of goods or service or market. Ultimately, the final purchaser of the gold jewellery in this case, whether for his or her own personal enjoyment, or as a gift to yet another in the chain to final recipient, must in a case like this, be a highly important part of the consumer perspective analysis.

[123] As the Federal Court of Appeal in *Clorox* and Justice Kane in *Gemological* held, different consumers in a chain of recipients from manufacturer to ultimate consumer may pay more or less attention to differences between marks, be they greater or smaller.

[124] Such circumstances are relevant and are to be considered, but at the end of the day the test is that from *Veuve Clicquot* and more recently *Masterpiece* namely one of first impression and imperfect recollection. In my view, this is particularly the case with gold (or diamond, or gold and diamond) jewellery as in this case. Thus, while a relevant circumstance will be the relationship, sophistication and expertise of a large retailer dealing with a large manufacturer/wholesaler, the perspective of their ultimate customers applies where, as in this case, the applicable test is that of first impression and imperfect recollection.

[125] In my view these TMOB's reasons set out the proper test for confusion in this case namely first impression and imperfect recollection:

[56] The Applicant however submits that both it and the Opponent are in the jewellery business selling products that customers purchase with considerable thought and attention to detail. Accordingly, the Applicant submits, customers purchasing goods from the Applicant are likely to pay close attention to what they are purchasing and are less likely to be confused into thinking these goods are manufactured, sold or otherwise associated with the Opponent. Further to this, the Applicant relies on *Gemme Canadienne PA Incorporated v 84403 Ontario Limited (Corona Jewellery Company)*, 2007 CanLII 81543, in that it was decided in that case that despite the fact that the Applicant and Opponent were both operating in the jewellery business, there was no likelihood of confusion between the parties' marks and the opposition was rejected.

[57] The Opponent disagrees and submits that diamonds and jewellery can be emotional and impulse purchases and not all consumers give the same attention to detail. The Opponent cites *Masterpiece* for the proposition that irrespective of the price of the goods, confusion is still a matter of first impression.

[58] Even if the parties' goods are expensive, Justice Rothstein confirms in *Masterpiece* that although consumers in the market for expensive goods may be less likely to be confused, the test is still one of first impression. Justice Senegal of the Superior Court of Quebec in *De Grandpre Joli-Coeur v De Grandpre Chait* (2011)

94 CPR (4th) 129 summarizes the Supreme Court of Canada's discussion on this point in *Masterpiece* as follows at para 97-98:

In *Masterpiece*, the Supreme Court stated that it is an error to believe that, since consumers of expensive goods and services generally take considerable time to inform themselves about the source of those goods and services, there is a reduced likelihood of confusion. Confusion must instead be assessed from the perspective of the first impression of the consumer approaching a costly purchase when he or she encounters the trade-mark. It is not relevant that consumers are unlikely to make choices based on first impressions or that they will generally take considerable time to inform themselves about the source of expensive goods and services. Careful research which may later remedy confusion does not mean that no confusion ever existed or that it will not continue to exist in the minds of consumers who did not carry out that research.

In the view of the Supreme Court, consideration must be limited to how a consumer with an imperfect recollection of a business's mark would have reacted upon seeing the other company's mark. The question of cost is unlikely to lead to a different conclusion in cases where a strong resemblance suggests a likelihood of confusion and the other factors set out in subsection 6(5) of the Act do not point strongly against a likelihood of confusion.

[my emphasis]

[Emphasis added]

[126] Once again, the Applicant relies on *Gemme*, and does so in ground 12(e) in its Notice of Application. With respect to the cost of the parties' goods, this submission is of no merit. It is trite law that each case must be determined on its own facts. *Gemme* involved different parties, different marks, and differing evidence. It was also decided before the Supreme Court of

Canada's decision in *Masterpiece*. To reiterate I do not find *Gemme* persuasive in advancing the Applicant's case against this finding by the TMOB on this record.

[127] In summary having regard to paragraphs 6(5)(c) and (d), I am unable to find illogicality or disregard of evidence. In addition, given the factual situation and the – unavoidable – concession by the Applicant, and the findings of the TMOB which flowed therefrom, I am unable to conclude this aspect of the Decision is flawed by palpable and overriding error.

(5) Surrounding Circumstances

(a) *State of the Register*

[128] Subsection 6(5) permits the Court to look at confusion factors in addition to those set out in paragraphs 6(5)(a) - (e). One surrounding circumstance often reviewed is the state of the register of trade-marks. The register was reviewed by the TMOB, which again found in favour of the Respondent.

[129] The Applicant's Notice of Application submits the TMOB erred as follows:

12(i) not taking into account the state of the register evidence filed by the Applicant;

[130] The TMOB's analysis starts by noting the limited relevance the case law gives to evidence based on the register. It is only where "large numbers of relevant registrations are located" that inferences about the state of the market may be drawn – which was not the case here:

[66] State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace, and inferences about the state of the marketplace can only be drawn where large numbers of relevant registrations are located. [*Ports International Ltd v Dunlop Ltd* (1992), 41 CPR (3d) 432; *Del Monte Corporation v Welch Foods Inc* (1992), 44 CPR (3d) 205 (FCTD); *Kellogg Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 (FCA)].

[67] The Applicant submits that the state of the register evidence filed under the Anastacio affidavit demonstrates that numerous marks already co-exist on the register that comprise the words “MAPLE LEAF” or a maple leaf design in association with jewellery and related goods and services.

[68] The Opponent submits, however, that on review of the state of the register evidence, they could not locate any marks with the maple leaf design and the wording CANADIAN CERTIFIED GOLD. Additionally, I note that a review of this evidence also shows that no marks were located that included the words CANADIAN CERTIFIED GOLD or similar wording.

[69] As a result, I do not find the state of the register evidence to be of any assistance to the Applicant.

[Emphasis added]

[131] The Federal Court of Appeal has held where there are several relevant registrations evidenced on the register, inferences may be drawn about the marketplace without further evidence. In *Maximum Nutrition Ltd. v Kellogg Salada Canada Inc.*, [1992] FCJ No 562 [Stone JA] says:

14 The presence of a common element in trade marks has been held to have an important bearing on the issue of confusion for, as was stated by the Comptroller General in *Harrods Ltd., supra*, at page 70:

Now it is a well recognised principle, that has to be taken into account in considering the possibility of confusion arising between any two trade marks, that, where those two marks contain a common element which is also contained in a number of

other marks in use in the same market, such a common occurrence in the market tends to cause purchasers to pay more attention to the other features of the respective marks and to distinguish between them by those other features.

Much the same point was made in *Beck, Koller & Coy. (England), Ltd's, supra*. In *Molnlycke, supra*, Cattnach J. commented on the significance of a common feature and on the nature of evidence required. At page 48, he stated:

If those marks which have common characteristics are registered in the names of different owners then the presumption is that the common characteristic is a common feature in the trade and registration ought to be allowed. The fact that the marks are owned by different persons tends to negative any proprietorial significance of the common feature and so assists an applicant.

...

In the case at bar, both the Opposition Board and the learned Trial Judge were of the view that none of the marks in issue was inherently distinctive. I agree. Where marks possess little or no inherent distinctiveness, as is pointed out in *Fox, supra*, at pages 152-153, "small differences will serve to distinguish".

[132] The Applicant submits the TMOB unreasonably held that state of the register evidence was irrelevant because the results did not contain the wording CANADIAN CERTIFIED GOLD and ignored evidence showing the maple leaf design, the element found to be more distinctive by the TMOB, as commonly used in the industry. I disagree. Not only did the Applicant fail to find large numbers of applications or registrations, it found none with respect to CANADIAN CERTIFIED GOLD and design. In my respectful view, this is an important evidence-based answer to this aspect of the Applicant's appeal.

[133] The Applicant says this Court should consider the potential unreasonableness of a TMOB ruling that confers too great a monopoly, as it did regarding a RED HORSE & Design and BLACK HORSE in *San Miguel Brewing International Limited v Molson Canada 2005*, 2013 FC 156 [Phelan J]:

[40] The Board did not consider that what it was doing was, in effect, granting to Molson a trade-mark monopoly over the word HORSE of any colour (green, golden, brown, blue, etc.) in relation to beer. The breadth of that monopoly is unreasonable.

[134] The TMOB considered and rejected the Applicant's RED HORSE line of argument. In addition and with respect, I do not see the case at bar as giving an unreasonable monopoly over the words CANADIAN CERTIFIED GOLD. Instead, the Decision leaves an older mark (the CORONA Mark), a previously registered composite mark I should add, on the register. The Respondent's CORONA Mark was in use four years before that of the Applicant. The TMOB refused to register the GOLD Mark because of the likelihood of confusion with the Respondent's prior use of its CORONA Mark. In other words, the Applicant failed in this respect because it failed to establish, on a balance of probabilities, that there was not a reasonable likelihood of confusion between its mark and the CORONA Mark. This is a matter of weighing and assessing the evidence and I do not see a palpable or overriding error.

[135] In addition and as noted before, all trade-marks confer a limited monopoly on the owner. In this case there is no monopoly on the words, which were disclaimed, but only a limited monopoly on CANADIAN CERTIFIED GOLD taken together with its stylized maple leaf design.

[136] On this aspect of surrounding circumstances, there is no illogicality nor disregard of evidence. I am not persuaded the TMOB decision is flawed by palpable or overriding error.

(b) *Actual Confusion*

[137] The Supreme Court in Canada has held lack of evidence of actual confusion is a relevant surrounding circumstance, see *Mattel* at para 89. This Court in *MonSport Inc. v Vêtements de Sport Bonnie (1978) Ltée.*, [1988] FCJ No 1077 [Addy J] at para 11 has held it is entitled to draw negative conclusions concerning an opponent's case if, despite a substantial period of co-existence in the marketplace, no instances of actual confusion are established.

[138] The Applicant submits the marks have co-existed since as early as January, 2012, and says it is not aware of any instances of actual consumer confusion despite direct overlap in goods and channels of trade. It invites the Court to draw an adverse inference against the Respondent. However, all the evidence in this respect is posterior to the date of first use, and therefore not material under a subsection 16(1) ground of appeal per *Hawke* at para 3, *Kabushiki* at para 19, and is contrary to subsection 16(1) itself.

[139] The Applicant in its Notice of Application submits the TMOB erred as follows:

12(j) giving weight to the lack of actual consumer confusion between the parties' marks and still finding that there was a likelihood of confusion between the trademarks;

[140] In my respectful view, there is no error in this connection, let alone a palpable and overriding error.

F. *Subsection 6(5) analysis, part 2*

[141] As mentioned, the TMOB addresses the subsection 6(5) confusion elements twice: first under paragraph 12(1)(d) which findings were held at para 81 of the TMOB's Decision to be "generally equally applicable" to its subsection 16(1) analysis, in respect of this Court has just completed its appellate review. Second, the TMOB considered subsection 16(1) in brief additional reasons in which it again found in favour of the Respondent. The TMOB held that the section 6(5)(a) and (b) factors "weigh even more in favour of the Opponent under this ground of opposition, as the Applicant's evidence of use of the Mark post-dates the material date under this ground of opposition" at para 81:

[75] The Opponent has pleaded that the Applicant is not the person entitled to registration of the Mark since as of the filing date of the application, the Mark was confusing with the Opponent's CORONA Marks which had previously been used and registered in Canada.

[76] In order to satisfy its onus, the Opponent must show that one or more of the Opponent's CORONA Marks were used or made known prior to the claimed date of first use (January 1, 2012) and were not abandoned at the date of advertisement.

[77] To begin with, I note that the Opponent has attempted in its submissions to rely on common law rights under this ground of opposition with respect to use of the words CANADIAN CERTIFIED GOLD. However, I agree with the Applicant that this mark was not relied upon in the statement of opposition, nor was it mentioned in the Soare affidavit.

...

[80] In any event, having regard to my findings under the sections 6(5)(a) and (b) analysis above in the ground of opposition based upon section 12(1)(d), I accept that the Opponent has met its burden with respect to its CANADIAN CERTIFIED GOLD Design mark. As the Opponent's evidentiary burden has been satisfied, the Applicant must therefore establish, on a balance of probabilities, that there is not a reasonable likelihood of confusion

between the Mark and the Opponent's CANADIAN CERTIFIED GOLD Design mark.

[81] The difference in material dates does not impact my end conclusion regarding confusion of the parties' marks and as a result my findings under the ground of opposition based on section 12(1)(d) are generally equally applicable here. In fact, the section 6(5)(a) and (b) factors weigh even more in favour of the Opponent under this ground of opposition, as the Applicant's evidence of use of the Mark post-dates the material date under this ground of opposition.

[82] Accordingly, the ground of opposition based on non-entitlement is also successful, but once again, only with respect to the Opponent's CANADIAN CERTIFIED GOLD Design mark for the reasons as set out in the section 12(1)(d) ground of opposition.

[Emphasis added]

[142] Essentially the TMOB found the Respondent met its burden with respect to the CORONA Mark in association with jewellery. The TMOB specifically found the evidence demonstrated the CORONA Mark was in use before the material date of first use per subsection 16(1), namely January 1, 2012. This finding was certainly open to the TMOB on the record that the CORONA Mark was in use since 2008 as noted above at paragraph 91.

[143] This conclusion shifted the burden to the Applicant to establish there is not a reasonable likelihood of confusion between its proposed GOLD Mark and CORONA Mark. The TMOB simply found the Applicant failed to discharge its burden. The TMOB found its previous determinations in favour of the Respondent under paragraph 6(5)(a) - inherent and acquired distinctiveness, and under paragraph 6(5)(b) - relative length of time in use factors - weighed even more in the Respondent's favour under subsection 16(1). It reached this conclusion because

as of the material date of first use under subsection 16(1), January 1, 2012, the Applicant had in fact not used its GOLD Mark at all nor had it acquired any reputation for it.

[144] With respect, and on the record before it, the TMOB could not have found otherwise.

There is no illogicality, and this finding is supported by the record. Therefore, I conclude there is no palpable and overriding error in this connection.

[145] Before concluding, I should address the remaining grounds in the Notice of Application, which allege the TMOB erred in:

12(k) finding there was a likelihood of confusion between the parties' respective trademarks under paragraph 12(1)(d);

12(l) finding the Applicant was not entitled to registration of the GOLD Mark under paragraph 16(1)(a); and

12(m) finding that GOLD Mark was not distinctive of the Applicant and that it was not adapted to distinguish and did not actually distinguish the Applicant's goods from Corona's goods.

[146] Ground 12(k) is a boiler plate ground of appeal which puts in issue the entire TMOB reasons and conclusions on confusion, whether based on subsection 16(1), or paragraph 12(1)(d) or section 2. Ground 12(l) is another boilerplate which if successful would deny the Respondent the remedy to which it is entitled based on its success before the TMOB and in resisting this appeal. Both challenge the entirety of the TMOB Decision. In my respectful view, I have already dealt with the TMOB Decision in sufficient detail such that there is no need to say more in these Reasons.

[147] Ground 12 is not relevant. It seems to deal with distinctiveness under section 2 of the *Act*, which is not addressed; these Reasons dismiss this appeal on the basis of subsection 16(1) such that section 2 does not need to be considered. However, these Reasons deal with inherent and acquired distinctiveness per paragraph 6(5)(a) at paragraphs 84 – 103 above.

V. Conclusion

[148] In this appeal, I considered the proposed new evidence and found it inadmissible on the subsection 16(1) ground of appeal, largely because it pertained to facts posterior to the material date per subsection 16(1), namely the date of first use agreed as January 1, 2012. I did so by following established jurisprudence including that in *Hawke* at para 31, *Kabushiki* at para 19 and by following subsection 16(1) itself.

[149] I then conducted a confusion analysis under each factor of subsection 6(5) and considered the surrounding circumstances, including relevant grounds of appeal raised in the Notice of Application and in oral and written submissions. I conducted this appellate review on the *Housen* appellate review standard of palpable and overriding error. I determined the TMOB did not commit palpable and overriding error at any point.

[150] Standing back and looking at the Decision in its totality, I am unable to see the Decision itself, either in whole or in part, as one flawed by palpable and overriding error. While the TMOB favoured the Applicant in some respects, it favoured the Respondent on virtually all grounds of subsection 6(5), including on the important issues of resemblance per *Masterpiece* and distinctiveness per *Mattel*.

[151] As a result, the Respondent succeeds in opposing this appeal. The TMOB did not make a palpable and overriding error in its confusion analysis conducted under subsection 12(1)(d) which it held generally equally applicable to its analysis under subsection 16(1). That being the case, in according with subsection 16(1) of the *Act*, the Applicant is not “entitled, subject to section 38, to secure its registration”:

Registration of marks used or made known in Canada

16 (1) Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with goods or services is entitled, subject to section 38, to secure its registration in respect of those goods or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with

(a) a trade-mark that had been previously used in Canada or made known in Canada by any other person;

[Emphasis added]

Enregistrement des marques employées ou révélées au Canada

16 (1) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce qui est enregistrable et que le requérant ou son prédécesseur en titre a employée ou fait connaître au Canada en liaison avec des produits ou services, a droit, sous réserve de l'article 38, d'en obtenir l'enregistrement à l'égard de ces produits ou services, à moins que, à la date où le requérant ou son prédécesseur en titre l'a en premier lieu ainsi employée ou révélée, elle n'ait créé de la confusion:

a) soit avec une marque de commerce antérieurement employée ou révélée au Canada par une autre personne;

[Je souligne]

[152] I turn to section 38, which provides, among other things, that a person – such as the Respondent – may file a statement of opposition to an application for the registration of a trade-

mark based on four enumerated grounds. One such ground is “that the applicant is not the person entitled to registration of the trade-mark.”

[153] In this case, the Court has found the Applicant is not the person entitled to registration. Therefore, the TMOB acting under subsection 38(8) of the *Act* properly refused the Applicant’s applications to register the Applicant’s application to register the Applicant’s GOLD Mark, namely TRULY CANADIAN CERTIFIED GOLD & Design (Application no. 1,593,806):

Statement of opposition

38 (1) Within two months after the advertisement of an application for the registration of a trade-mark, any person may, on payment of the prescribed fee, file a statement of opposition with the Registrar.

Grounds

(2) A statement of opposition may be based on any of the following grounds:

(a) that the application does not conform to the requirements of section 30;

(b) that the trade-mark is not registrable;

(c) that the applicant is not the person entitled to registration of the trade-mark; or

(d) that the trade-mark is not distinctive.

....

Déclaration d’opposition

38 (1) Toute personne peut, dans le délai de deux mois à compter de l’annonce de la demande, et sur paiement du droit prescrit, produire au bureau du registraire une déclaration d’opposition.

Motifs

(2) Cette opposition peut être fondée sur l’un des motifs suivants :

a) la demande ne satisfait pas aux exigences de l’article 30;

b) la marque de commerce n’est pas enregistrable;

c) le requérant n’est pas la personne ayant droit à l’enregistrement;

d) la marque de commerce n’est pas distinctive.

...

Decision

(8) After considering the evidence and representations of the opponent and the applicant, the Registrar shall refuse the application or reject the opposition and notify the parties of the decision and the reasons for the decision.

[Emphasis added]

Décision

(8) Après avoir examiné la preuve et les observations des parties, le registraire repousse la demande ou rejette l'opposition et notifie aux parties sa décision ainsi que ses motifs.

[Je souligne]

[154] Therefore, I will dismiss the appeal and refuse the Applicant's application to register TRULY CANADIAN CERTIFIED GOLD & Design (Application no. 1,593,806).

[155] Having dismissed the Applicant's appeal based on subsection 16(1), it is not necessary to consider the Applicant's additional submissions under section 2 and paragraph 12(1)(d) of the *Act*.

VI. Costs

[156] Pursuant to the practices of the Federal Court and the Practice Direction of Chief Justice Lufty dated April 30, 2010 titled "Costs in the Federal Court", each requested costs if they succeeded and subsequently made an agreed joint request on costs: "The parties have agreed that costs in both appeal proceedings heard under the above-noted docket number be set at \$20,000, inclusive of all disbursements and taxes". I see no reasons why costs should not follow the event. In my discretion, a reasonable cost order is that the Applicant shall pay to the Respondent costs in both appeal proceedings (T-1485-17 and T-1491-17) set at \$20,000, inclusive of all disbursements and taxes.

JUDGMENT in T-1491-17

THIS COURT'S JUDGMENT is that

1. The appeal is dismissed.
2. The Applicant shall pay to the Respondent costs in both appeal proceedings (T-1485-17 and T-1491-17) set at \$20,000, inclusive of all disbursements and taxes.
3. A copy of this judgment shall be placed in Court files T-1485 and T-1491-17.

“Henry S. Brown”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1491-17

STYLE OF CAUSE: BEVERLY HILLS JEWELLERS MFG LTD. v
CORONA JEWELLERY COMPANY LTD.

PLACE OF HEARING: HELD BY WAY OF VIDEOCONFERENCE

DATE OF HEARING: MARCH 15 AND MARCH 16, 2021

JUDGMENT AND REASONS: BROWN J.

DATED: JUNE 28, 2021

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