

Federal Court



Cour fédérale

Date: 20100430

Docket: T-9-09

Citation: 2010 FC 478

BETWEEN:

SCOTT PAPER LIMITED

Applicant

and

GEORGIA-PACIFIC CONSUMER PRODUCTS LP

Respondent

REASONS FOR JUDGMENT

O'KEEFE J.

[1] Scott Paper Limited (Scott Paper or the applicant) appeals, pursuant to section 56 of the *Trade-marks Act*, R.S.C. 1985, c. T-1 (the Act), from a decision of a member of the Trade-marks Opposition Board (the hearing officer), dated November 3, 2008. The hearing officer decided to refuse Scott Paper's application to register the trade-mark design it proposed to use on bathroom

tissue, in light of opposition proceedings instituted by Georgia-Pacific Consumer Products LP (Georgia-Pacific or the respondent).

[2] Scott Paper has changed its name to Kruger Products Limited and accordingly, the trade-mark application is currently in the name of Kruger Products Limited.

[3] The applicant requests an order:

1. setting aside the hearing officer's decision;
2. rejecting the respondent's opposition to the trade-mark application;
3. directing the Registrar to allow the trade-mark application;
4. awarding the applicant its costs of this proceeding; and
5. granting such other relief as counsel may request and the Court may deem just.

Background

[4] Scott Paper filed an application to register the Daisy Flower (Square) Pattern Design on December 18, 2001 based on proposed use in Canada in association with "hygienic paper products namely, bathroom tissue"(the trade-mark application). The mark is shown in the drawing below.



[5] On March 22, 2004, the respondent opposed Scott Paper's application on three alleged grounds:

1. The section 12 ground: As at the date of the Board's decision in November of 2008, the mark is not registrable under paragraph 12(1)(d) of the Act because the mark is confusing with the respondent's trade-mark wallpaper design registered for bathroom tissue (the respondent's mark) shown below:



2. The section 16 ground: The applicant is not the person entitled to registration of the mark under subsection 16(3) of the Act because at the date of filing of the application, the mark was confusing with the respondent's registered trade-mark which had been previously extensively used and advertised in Canada.

3. The non-distinctive ground: As at the date of opposition, March 22, 2004, the mark is not distinctive because it is not adapted to distinguish, and does not distinguish, the applicant's wares from the respondent's wares. On the contrary, the mark is calculated to give rise to confusion and to benefit from the goodwill attaching to the respondent's trade-mark.

Decision of the Hearing Officer

[6] Since each of the grounds is premised on the likelihood of confusion between the parties' marks, the hearing officer applied the facts to the five specified factors enumerated in subsection 6(5) of the Act which reads as follows:

- | | |
|---|---|
| 6.(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 | 6.(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 wares, services or business; | c) le genre de marchandises, 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 in appearance or sound or in the ideas suggested by them. | 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. |

[7] Along with the subsection 6(5) factors, the hearing officer took into account “other surrounding circumstances” which importantly included considering the state of the marketplace and the use of similar marks by third parties.

[8] The process of applying the subsection 6(5) factors to the marks had to be considered with respect to the different material dates corresponding to each ground of opposition.

[9] The hearing officer rejected the section 12 ground, primarily on the strength of marketplace evidence collected by the applicant in April of 2006. She concluded that despite the resemblance between the marks, the state of the marketplace evidence “...indicates that marks of this general nature are quite common in the industry, resulting in the difference between the two marks being sufficient to make confusion unlikely.” She also noted that some of the marketplace samples were more similar to the respondent’s mark than the applicant’s mark was.

[10] In order to meet the burden under the section 16 ground, the respondent had to establish “use” of its mark in accordance with section 4 of the Act or otherwise, in Canada prior to December 18, 2001, as well as non-abandonment of its mark as of January 21, 2004. The hearing officer found that the respondent’s mark was not visible through the packaging at the time of purchase and did not agree that consumers seeing the mark after purchase in this context could constitute “use” of the trade-mark under subsection 4(1). The hearing officer thus dismissed this ground of opposition.

[11] In dealing with the non-distinctiveness ground, the hearing officer first set out the legal burdens. While there is a legal onus on the applicant to show that its mark is adapted to distinguish or actually does distinguish its wares from the respondent's wares throughout Canada, there was an evidential burden on the respondent to prove the allegation of fact supporting its ground of non-distinctiveness. The respondent does not have to show that its trade-mark is well known in Canada or made known under the means in section 5, but its reputation in Canada should be substantial, significant or sufficient.

[12] The hearing officer accepted that despite being unable to establish "use" under section 4, the appearance of the respondent's mark on its wares may have resulted in an acquired reputation in Canada, even though it is not seen until after purchase. As of March 22, 2004, the relevant date for this ground of opposition, there had been sales of \$72 million of the respondent's product. This, in the hearing officer's opinion, was enough to satisfy the evidentiary burden.

[13] The hearing officer found that the applicant had not adduced any evidence relevant to the material date that the applicant's mark had acquired any reputation or that it was common for others to use similar design marks. In the absence of pertinent marketplace evidence (which tipped the issue of confusion in favour of the applicant under the first ground), the balance of probabilities under the distinctiveness ground weighs in favour of the respondent. To put it another way said the hearing officer, in a universe where no one other than the two parties uses a similar mark, the applicant's is not sufficiently different from the respondent's to distinguish it.

[14] As a result, the hearing officer accepted the final ground of opposition and refused the application pursuant to paragraph 38(2)(d) of the Act.

[15] In bringing this application for appeal under section 56 of the Act, the applicant submits new marketplace evidence relating to the state of the marketplace on March 22, 2004.

Issues

[16] In my opinion, the issues that need to be resolved are as follows:

1. Is the new evidence submitted by the applicant admissible?
2. What is the appropriate standard of review?
3. Is the applicant's mark not distinctive?
 - a. Did the respondent discharge its evidentiary burden of establishing its mark enjoys a substantial enough reputation in Canada as a trade-mark to negate the distinctiveness of the applicant's mark?
 - b. If so, was the applicant's mark not distinctive because it is not adapted to distinguish, and does not distinguish, the applicant's wares from the respondent's wares?

Applicant's Written Submissions

The New Evidence is Determinative and Requires a Hearing *De Novo*

[17] When looking at the marketplace evidence under the first ground, the hearing officer correctly stated that when two marks are similar, they may nevertheless be sufficiently different so as to prevent confusion if there is sufficient use of similar marks by third parties in the marketplace. Scott Paper confirmed the use of similar designs as of April 2006 for the hearing officer and has now, in the affidavit of Al Rogers, confirmed these facts as of March 2004, for the Court which should review the finding of fact *de novo*.

[18] Scott Paper has established that just as was the case in April 2006, the same embossment patterns of this general nature were commonly used in March of 2004. These designs have always co-existed peacefully. There was no likelihood of confusion with Scott Paper's mark as of March, 2004, just as the hearing officer found was true as of April 2006.

Hearing Officer Erred in Concluding that the Respondent's Trade-mark Enjoys a Substantial Reputation in Canada as a Trade-mark

[19] The evidentiary burden on the respondent was to provide some evidence that its embossment pattern has a reputation in Canada that is substantial or significant. The hearing officer found that it "may have" had "some" reputation as a trade-mark. These assumptions are unfounded and improper.

[20] The applicant submits that the respondent's embossment pattern is never presented to consumers as a trademark in any context. It is merely ornamentation. The trade-mark presented to consumers is Costco's KIRKLAND SIGNATURE. There is no evidence that Canadians have in fact seen Georgia-Pacific's pattern. Nor was there evidence that the pattern is recognized as a trade-mark indicator of source. It is not presented as a trade-mark in any way. Even if the pattern is seen in the homes of Canadians, there was still no evidence or reason to assume that Canadians retained any memory of it as a trade-mark. There was no evidence of any goodwill associated with the mark. The case law requires trade-mark opponents to show that their mark enjoys a reputation as a trade-mark.

[21] In short, the hearing officer erred in assuming without evidence that post-purchase viewing occurs or that it necessarily results in the respondent's embossment pattern having become known to any extent as a trade-mark. The applicant submits that merely selling the product with the embossment on it does not result in trade-mark reputation, especially where the pattern is not visible at purchase or in advertisements, the pattern is not presented as a trade-mark and where there is no evidence from Canadian consumers. Even if the hearing officer could have made the finding she did, she only found that Georgia-Pacific's mark enjoyed some reputation. This was not enough to discharge the burden of showing that there was substantial or significant trade-mark reputation.

Respondent's Written Submissions

Standard of Review and Inadmissibility of New Evidence

[22] The respondent submits that the applicant has filed no new evidence in respect of the hearing officer's finding that the respondent had satisfied its evidentiary burden. Thus, deference should be afforded to that conclusion by the hearing officer.

[23] Regarding the applicant's new marketplace evidence, the respondent first submits that it is not substantially different from the evidence available to the hearing officer. Thus, the reasonableness standard still applies.

[24] Even if the new evidence is substantially different, the respondent submits that much of it is inadmissible hearsay and is inconclusive with respect to the material date. Subparagraph 30(10)(a)(ii) of the *Canada Evidence Act*, R.S.C. 1985, c. C-5, renders inadmissible the new evidence consisting of photographs produced in contemplation of litigation. Other evidence, while referring to events in 2004, does not indicate whether these events took place before or after the material date. Finally, the evidence refers to information found on certain websites, but does not specify who maintains the sites or why such evidence is necessary and reliable. At best, the new evidence is that three products featured similar designs. No new evidence has been filed to show section 4 use of similar third-party designs. The applicant provides no support or reference for its assertion that sales of similar third party bathroom tissue exceeded \$100,000,000. In light of the

foregoing problems with and factual gaps in the new evidence, it could not have materially affected the decision.

Hearing Officer's Conclusion on Non-distinctiveness Ground was Correct

[25] The respondent submits that it is the applicant who has the burden to establish that its mark is adapted to distinguish or actually distinguishes its wares from those of others. The evidentiary burden on the opponent does not require the opponent to establish use of its mark under section 4. The hearing officer based her finding that the respondent had satisfied the evidentiary burden on the confirmed sales between 2000 and 2004 of more than \$72,000,000 and the fact that inevitably purchasers will open the packaging and see the embossed mark. This was a reasonable conclusion.

[26] With regards to the applicant's burden, in light of the evidence in front of the hearing officer and the new evidence, the conclusion that the mark had not acquired any reputation was, and is still, the only reasonable conclusion. The conclusion that there was a lack of evidence that it was common for others to use similar patterns is still reasonable. The limited new evidence falls short of demonstrating that such marks were commonly used, or used according to section 4.

[27] Even if the Court finds that the issue should be tried *de novo*, the respondent submits that the application should nevertheless be denied. The correct, principled approach to statutory

interpretation supports the conclusion that the embossments cited in the new evidence were not used in accordance with section 4 of the Act.

[28] At best, the new evidence shows that two products with similar designs were available in Canada: the applicant's COTTONELLE/CASHMERE and Irving's MAJESTA. A review of this evidence reveals that it does not provide the evidence that the hearing officer said was lacking; namely, evidence that it was common for third parties to use similar designs in association with bathroom tissue as of the material date.

Analysis and Decision

Introduction

[29] Important to the disposition of this appeal is establishing the state of the bathroom tissue market in Canada as of March 22, 2004. The hearing officer held that the applicant had not established that its mark was not sufficiently distinct. This was in part due to the lack of evidence that similar designs were commonly found on the products of others at that time. Such evidence could have established that despite a high degree of resemblance between the mark and the respondent's mark, the mark would still have a sufficient degree of distinctiveness.

[30] The applicant, on appeal, now brings forward new evidence to show the common use and co-existence of similar designs on bathroom tissue as of March 2004. The respondent did not

contradict this evidence with its own evidence, but alleges that the applicant's new evidence is primarily inadmissible hearsay.

[31] **Issue 1**

Is the new evidence submitted by the applicant admissible?

The applicant's new evidence is the affidavit of Al Rogers. It makes reference to a previous litigation matter for which we organized purchases of bathroom tissue, but is unclear as to who "we" refers to. The affidavit similarly does not indicate who took the photographs of bathroom tissue samples.

[32] The applicant has not pointed to any exception to the hearsay rule applicable to Al Rogers' affidavit. The *Canada Evidence Act* above, at section 30, specifically allows for business records made in the usual and ordinary course of business to be admitted into evidence, however, records made in contemplation of litigation are not admissible on this basis (subparagraph 30(10)(a)(ii)). Since the photographs at exhibits 1, 2, 3 and 12 were, by Rogers' own allegation, prepared for the purposes of litigation, they are not admissible.

[33] With regard to the evidence from Mr. Rogers concerning the market share of ROYALE branded tissue during the year ending September 6, 2003, the only source given for this information was ACN MarketTrack, a website. No background information concerning ACN MarketTrack is given nor does the applicant indicate why such information might be reliable. It is therefore inadmissible hearsay.

[34] Mr. Rogers' primary evidence is his personal knowledge of the sales of third party products in 2004. For example he states: "I can confidently state that MAJESTA bathroom tissue bearing the Majesta Flower Pattern was sold in significant volumes both prior to 2004, and subsequently in Canadian markets." This is a bold assertion. A webpage is also attached that would suggest that MAJESTA brand tissue was sold. While the webpage cannot be taken for the truth of its contents, I would not exclude this evidence as the bulk of this evidence is based on personal knowledge. Instead, weaknesses go to the weighing of his evidence.

[35] Affiants may depose facts within their personal knowledge (see Rule 81, *Federal Courts Rules*, SOR/98-106). This Court has accepted that an affiant's office may manifestly put him or her in a position to have personal knowledge of facts without necessarily being a direct witness to the event (see *Philip Morris Inc. c. Imperial Tobacco Ltd.*, [1987] F.C.J. No. 26, 13 C.P.R. (3d) 289). There is some similarity between that case and the present case where Mr. Rogers' previous position as quality assurance director of the applicant clearly puts him in a position to have personal knowledge of the bathroom tissue marketplace.

[36] I also draw a negative inference from the respondent's decision not to cross-examine Mr. Rogers. The respondent now points to deficiencies and vagueness in his evidence but never put those concerns to him. The *raison d'être* for Mr. Rogers' affidavit is to put evidence before the Court that the state of the bathroom tissue marketplace with respect to floral embossments, did not materially change between March of 2004 and April of 2006 when the hearing officer concluded that such similar floral designs peacefully co-existed. While difficult to prove, it is not a bold or

shocking position. It is a reasonable position. The fact that the respondent did not challenge his evidence weakens their position.

[37] The respondent also challenges the evidence of Mr. Rogers on the grounds that it is not material. They say any evidence in the Rogers affidavit that merely refers to the year 2004 without specifying data recorded as of the material date of March 22, 2004 is wholly irrelevant. I cannot agree that it is. To the degree such facts in the affidavit make the existence of a certain state of affairs on March 22, 2004 more probable, they are relevant. Given the difficulty of obtaining such previous reliable marketplace data, it is understandable that data from the precise material date may not be available.

[38] In this trade-mark appeal, an issue arises asking the trier of fact to assess the state of the market prior to and as of the material date and determine whether designs similar to the mark were commonly used. In that sense, evidence from after the material date, or evidence of sales data from a period including the material date, is only circumstantial. In the search for the truth, circumstantial evidence is preferable to no evidence. In the end, it is for the trier of fact to weigh such evidence.

[39] Except for the evidence specifically excluded, I would accept the remainder of the evidence.

[40] **Issue 2**

What is the appropriate standard of review?

Nature of an appeal under section 56

Subsections 56(1) and (5) provide:

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.

...

(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.

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.

...

(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.

[41] The text of section 56 speaks of an appeal and contemplates the addition of new evidence; terms uncommon in most judicial review applications. Yet the appeal is not a trial *de novo*, because while new evidence may be submitted, the record before the Registrar is part of the evidence before this Court. Further, the jurisprudence suggests that a section 56 appeal constitutes the judicial review of an administrative decision and as such, a standard of review must be determined (see *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145, 5 C.P.R. (4th) 180 (C.A.) at 193 to 196, and *NPS Pharmaceuticals, Inc. v. Biofarma*, 2009 FC 172, 72 C.P.R. (4th) 391 at paragraphs 37 to 46).

[42] However, the addition of new evidence at this appeal stage must be reconciled with the customary procedure for determining the standard of review, refined in the recent Supreme Court decision of *Dunsmuir v. New Brunswick*, 2008 SCC 9, [2008] 1 S.C.R. 190, [2008] S.C.J. No. 9 (QL).

[43] Mr. Justice Rothstein addressed this issue in *Molson Breweries* above, at pages 193 to 196 and concluded:

[51] I think the approach in *Benson & Hedges v. St. Regis* and in *McDonald v. Silcorp* are consistent with the modern approach to standard of review. Even though there is an express appeal provision in the Trade-marks Act to the Federal Court, expertise on the part of the Registrar has been recognized as requiring some deference. Having regard to the Registrar's expertise, in the absence of additional evidence adduced in the Trial Division, I am of the opinion that decisions of the Registrar, whether of fact, law or discretion, within his area of expertise, are to be reviewed on a standard of reasonableness *simpliciter*. However, where additional evidence is adduced in the Trial Division that would have materially affected the Registrar's findings of fact or the exercise of his discretion, the Trial Division judge must come to his or her own conclusion as to the correctness of the Registrar's decision.

[44] I would adopt this approach. The first step is to assess the Registrar's decision and consider whether the new evidence would have materially affected the decision. If not, the decision is to be reviewed against the unified standard of reasonableness. If the evidence would have materially affected the decision, the judge must come to his or her own conclusion as to the correctness of the Registrar's decision.

[45] In a post-*Dunsmuir* decision of this Court, Mr. Justice Lemieux in *NPS Pharmaceuticals* above, affirmed this approach in his assessment of the appropriate standard of review:

[44] When, pursuant to section 56 of the Act, new material is introduced before this Court, an assessment must be made by the Court of the materiality of the new affidavits in terms of its potential impact on the Registrar's decision or, as my colleague Justice Harrington recently put it in *Scotch Whisky Association v. Glenore Distillers International Ltd.*, 2008 FC 425, at paragraph 14: "... the Court must determine whether additional evidence would have affected the decision".

.....

[46] The finding the new evidence could not have affected the Registrar's decision means the deferential standard of reasonableness applies.

[46] The evidence is new in the sense that it attempts to specifically address an evidentiary shortfall noted by the hearing officer - marketplace evidence relevant to the material date of March 22, 2004. In her closing remarks on this issue, the hearing officer revealed the potential materiality of such evidence:

As discussed under the s. 12(1)(d) ground, the parties' marks resemble each other and in the absence of pertinent marketplace evidence (which tipped the issue of confusion in favour of the Applicant under the s. 12(1)(d) ground), the balance of probabilities under the distinctiveness ground weighs in favour of the Opponent.

[47] It falls on the Court to determine whether the applicant has in fact succeeded in adducing pertinent marketplace evidence. In my opinion the applicant has.

[48] This Court in *Vivat Holdings Ltd. v. Levi Strauss & Co.*, 2005 FC 707, 41 C.P.R. (4th) 8, at paragraph 27, held that to affect the standard of review, the new evidence must be sufficiently substantial and significant.

[49] In my view, it cannot be a requirement at this stage that the evidence submitted would have changed the hearing officer's mind. The requirement is only that it would have a material affect in her decision. I agree with the statement of Madam Justice Layden-Stevenson in *Vivat Holdings Ltd.*, above, that evidence that merely supplements or repeats existing evidence will not surpass the threshold.

[50] The information contained in the affidavit of Mr. Rogers which the respondent did not contradict, could not have been altogether ignored and would have required at least some analysis by the hearing officer. Had it been in front of the hearing officer, it would not have been open to her to determine as she did that "there is no evidence relevant to the material date of March 22, 2004". At a minimum, it would have at least affected the decision.

[51] It thus falls to this Court to come to its own determination on the issue that was the only successful ground of opposition raised by the respondent: whether, at the material time, the applicant's mark was distinctive.

[52] The respondent argues that the Court should nonetheless afford deference to the determination by the hearing officer that the respondent had satisfied its evidentiary burden because

that issue was assessed by the hearing officer in a separate portion of her analysis and no new evidence was adduced by either party to contradict that finding. In other words, the respondent asks the Court to use a different standard to assess this aspect of the hearing officer's decision.

[53] While it is an intriguing proposition, I am reminded that the evidentiary burden to be satisfied by a trade-mark opponent is, in the words of Mr. Justice Noel:

...a jurisprudential innovation, that should not overshadow the broader picture, i.e. the question of distinctiveness as defined by the Act.

(see *Bojangles' International, LLC v. Bojangles Café Ltd.*, 2006 FC 657, 48 C.P.R. (4th) 427 at paragraph 22). Thus, I am of the opinion that it would not be proper to try to dissect the issue into its component parts for the purposes of applying different standards of review.

[54] **Issue 3**

Is the applicant's mark not distinctive?

a. Did the respondent discharge its evidentiary burden of establishing it's mark enjoys a substantial enough reputation in Canada as a trade-mark to negate the distinctiveness of the applicant's mark?

b. If so, was the applicant's mark not distinctive because it is not adapted to distinguish, and does not distinguish, the applicant's wares from the respondent's wares?

The distinctiveness ground of opposition was based on paragraph 38(2)(d) of the Act which provides:

38. . . .	38. . . .
(2) A statement of opposition may be based on any of the following grounds:	(2) Cette opposition peut être fondée sur l'un des motifs suivants :
.
(d) that the trade-mark is not distinctive.	d) la marque de commerce n'est pas distinctive.

[55] The word distinctive is defined in section 2 of the Act:

“distinctive”, in relation to a trade-mark, means a trade-mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares or services of others or is adapted so to distinguish them;	« distinctive » Relativement à une marque de commerce, celle qui distingue véritablement les marchandises ou services en liaison avec lesquels elle est employée par son propriétaire, des marchandises ou services d'autres propriétaires, ou qui est adaptée à les distinguer ainsi.
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[56] As the parties agree, the material time for determining the issue of distinctiveness is the date of the filing of opposition, March 22, 2004.

[57] When distinctiveness is challenged by an opponent, the applicant has the legal onus of establishing that its mark is adapted to distinguish or actually distinguishes its wares from the respondent's wares throughout Canada. As a threshold however, there is an evidential burden on the opponent to prove that its own mark was known to some extent in Canada and had a substantial, significant, or sufficient reputation (see *Bojangles' International* above, at paragraphs 25 to 34).

[58] The hearing officer determined that the respondent had met this burden and in doing so, determined that the respondent need not demonstrate use of its mark in accordance with section 4 of the Act.

[59] Section 4(1) of the Act focuses on use of a trade-mark in relation to wares and reads as follows:

4.(1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

4.(1) Une marque de commerce est réputée employée en liaison avec des marchandises si, lors du transfert de la propriété ou de la possession de ces marchandises, dans la pratique normale du commerce, elle est apposée sur les marchandises mêmes ou sur les colis dans lesquels ces marchandises sont distribuées, ou si elle est, de toute autre manière, liée aux marchandises à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

[60] Marks that are not seen or made known to the purchaser at the critical moment of sale are not deemed to be used under subsection 4(1). Both marks in question tend to fall into this category because they are not typically seen by consumers at the point of purchase.

[61] As the applicant points out, the trade-mark shown to consumers of the respondent's bathroom tissue product is Costco's KIRKLAND SIGNATURE brand.

[62] These facts would not be fatal to the respondent's ability to discharge its evidentiary burden if it could show that its mark has acquired some degree of a reputation in Canada.

[63] The word reputation as appears in *Bojangles' International* above, at paragraph 34, is important. It connotes more than mere knowledge. While I agree that discharging the evidentiary burden does not require use under subsection 4(1) of the Act, it does require that the opponent's mark is known as an indicator of source and not merely known. This principle underlies section 4 of the Act.

[64] In submitting that the hearing officer's conclusion was in error, the applicant points to the following portions of the decision:

Even though it is not evident that the Opponent's Mark comes to the attention of such purchasers at the time of purchase, inevitably the purchaser will open the packaging and see the embossed mark. This post-purchase viewing necessarily results in the Opponent's Mark having become known to some extent.

...

...It seems fair to accept that the appearance of the Opponent's Mark on its wares may have resulted in an acquired reputation in Canada, even though the Opponent's Mark may not be seen until the consumer opens the packaging after purchase.

...

...I find that [the Opponent's] evidence of the sales of bathroom tissue bearing the Opponent's Mark is sufficient on its own to meet the Opponent's initial burden...

[65] In my opinion, the hearing officer's view constituted an assumption on her part which was not fully explained nor supported by adequate reasons.

[66] The only evidence put forth by the respondent that its mark had obtained a sufficient reputation in Canada was evidence of the amount of tissue sold in Canada bearing the mark. The hearing officer then seems to have assumed that since "...inevitably the purchaser will open the packaging and see the embossed mark... This post-purchase viewing necessarily results in the Opponent's Mark having become known to some extent."

[67] I cannot make that logical jump. While I could accept the inference that many Canadians have eventually seen the respondent's mark, I cannot assume without any evidence that Canadians retain any memory of the pattern or realize that it is a trade-mark that in any way indicates the source. Nor can I assume that Canadians' viewing of the design is in any way linked to the reputation of the respondent.

[68] In some contexts, producing evidence of sales in Canada of a product containing or displaying the mark may be sufficient. In this case it is not.

[69] In *British Petroleum Co. Ltd. v. Bombardier Ltd.*, [1971] F.C.J. No. 1014, 4 C.P.R. (2d) 204, this Court allowed an appeal from the Registrar's refusal of the subject application where the opponent's use of SKI-DOO was not trade-mark use and there was no evidence that the opponent

enjoyed a reputation in the word as a trade-mark. The mere sale of the product bearing the word was insufficient to assume that consumers recognized the word as a trade-mark.

[70] In the particular context of embossment pattern on bathroom tissue, while Canadians could have been said to have known of the mark to some extent, more evidence would have been needed to show that some Canadians saw the mark as an indicator of source so as to establish that the design had a reputation to some extent. Without such evidence, it seems more likely that Canadians, to the extent they knew of the respondent's mark, thought of it as mere ornamentation on private label bathroom tissue distributed by Costco.

[71] In short, the respondent cannot discharge its evidential burden at law because I do not find sufficient evidence that the respondent's mark had any reputation.

[72] As a result of the respondent failing to discharge its evidentiary burden with respect to the respondent's mark's reputation, the respondent's third and only remaining ground of opposition is dismissed.

[73] Because of my finding above, I need not deal with the issues of whether the applicant's mark was distinctive.

[74] At the hearing of this matter, the respondent stated that Mr. Roger's affidavit could have been filed before the hearing officer and consequently, there should be cost consequences for the

applicant. This matter was not addressed in any detail before me. Consequently, I will give the parties one week from the date of these reasons to make any submissions they may wish to make with respect to this cost issue only. The parties shall have three days following the one week period for any reply to the other party's submissions.

[75] The applicant's appeal is allowed and the hearing officer's decision with respect to the respondent's third ground of opposition is set aside and the respondent's third ground of opposition is rejected.

[76] The Registrar is directed to allow the applicant's trade-mark application.

"John A. O'Keefe"

Judge

ANNEX

Relevant Statutory Provisions

The relevant statutory provisions are set out in this section.

Trade-marks Act, R.S.C. 1985, c. T-1

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

...

(d) confusing with a registered trade-mark;

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;

Canada Evidence Act, R.S., c. E-10

30.(1) Where oral evidence in respect of a matter would be admissible in a legal proceeding, a record made in the usual and ordinary course of business that contains information in respect of that matter is admissible in evidence under this section in the legal proceeding on production of the record.

(2) Where a record made in the usual and ordinary course of business does not contain information in respect of a matter the occurrence or existence of which might reasonably be expected to be recorded in that record, the

30.(1) Lorsqu'une preuve orale concernant une chose serait admissible dans une procédure judiciaire, une pièce établie dans le cours ordinaire des affaires et qui contient des renseignements sur cette chose est, en vertu du présent article, admissible en preuve dans la procédure judiciaire sur production de la pièce.

(2) Lorsqu'une pièce établie dans le cours ordinaire des affaires ne contient pas de renseignements sur une chose dont on peut raisonnablement s'attendre à trouver la survenance ou l'existence consignées dans cette pièce, le

court may on production of the record admit the record for the purpose of establishing that fact and may draw the inference that the matter did not occur or exist.

(3) Where it is not possible or reasonably practicable to produce any record described in subsection (1) or (2), a copy of the record accompanied by two documents, one that is made by a person who states why it is not possible or reasonably practicable to produce the record and one that sets out the source from which the copy was made, that attests to the copy's authenticity and that is made by the person who made the copy, is admissible in evidence under this section in the same manner as if it were the original of the record if each document is

(a) an affidavit of each of those persons sworn before a

tribunal peut, sur production de la pièce, admettre celle-ci aux fins d'établir ce défaut de renseignements et peut en conclure qu'une telle chose ne s'est pas produite ou n'a pas existé.

(3) Lorsqu'il n'est pas possible ou raisonnablement commode de produire une pièce décrite au paragraphe (1) ou (2), une copie de la pièce accompagnée d'un premier document indiquant les raisons pour lesquelles il n'est pas possible ou raisonnablement commode de produire la pièce et d'un deuxième document préparé par la personne qui a établi la copie indiquant d'où elle provient et attestant son authenticité, est admissible en preuve, en vertu du présent article, de la même manière que s'il s'agissait de l'original de cette pièce pourvu que les documents satisfassent aux conditions suivantes : que leur auteur les ait préparés soit sous forme d'affidavit reçu par une personne autorisée, soit sous forme de certificat ou de déclaration comportant une attestation selon laquelle ce certificat ou cette déclaration a été établi en conformité avec les lois d'un État étranger, que le certificat ou l'attestation prenne ou non la forme d'un affidavit reçu par un fonctionnaire de l'État étranger.

commissioner or other person authorized to take affidavits; or

(b) a certificate or other statement pertaining to the record in which the person attests that the certificate or statement is made in conformity with the laws of a foreign state, whether or not the certificate or statement is in the form of an affidavit attested to before an official of the foreign state.

(4) Where production of any record or of a copy of any record described in subsection (1) or (2) would not convey to the court the information contained in the record by reason of its having been kept in a form that requires explanation, a transcript of the explanation of the record or copy prepared by a person qualified to make the explanation is admissible in evidence under this section in the same manner as if it were the original of the record if it is accompanied by a document that sets out the person's qualifications to make the explanation, attests to the accuracy of the explanation, and is

(a) an affidavit of that person sworn before a commissioner or other person authorized to take affidavits; or

(b) a certificate or other statement pertaining to the

(4) Lorsque la production d'une pièce ou d'une copie d'une pièce décrite au paragraphe (1) ou (2) ne révélerait pas au tribunal les renseignements contenus dans la pièce, du fait qu'ils ont été consignés sous une forme qui nécessite des explications, une transcription des explications de la pièce ou copie, préparée par une personne qualifiée pour donner les explications, accompagnée d'un document de cette personne indiquant ses qualités pour les donner et attestant l'exactitude des explications est admissible en preuve, en vertu du présent article, de la même manière que s'il s'agissait de l'original de cette pièce. Le document prend la forme soit d'un affidavit reçu par une personne autorisée, soit d'un certificat ou d'une déclaration comportant une attestation selon laquelle ce certificat ou cette déclaration a été établi en conformité avec les lois d'un État étranger, que le certificat

record in which the person attests that the certificate or statement is made in conformity with the laws of a foreign state, whether or not the certificate or statement is in the form of an affidavit attested to before an official of the foreign state.

(5) Where part only of a record is produced under this section by any party, the court may examine any other part of the record and direct that, together with the part of the record previously so produced, the whole or any part of the other part thereof be produced by that party as the record produced by him.

(6) For the purpose of determining whether any provision of this section applies, or for the purpose of determining the probative value, if any, to be given to information contained in any record admitted in evidence under this section, the court may, on production of any record, examine the record, admit any evidence in respect thereof given orally or by affidavit including evidence as to the circumstances in which the information contained in the record was written, recorded, stored or reproduced, and draw any reasonable inference from the form or content of the record.

ou l'attestation prenne ou non la forme d'un affidavit reçu par un fonctionnaire de l'État étranger.

(5) Lorsque seul un fragment d'une pièce est produit en vertu du présent article par une partie, le tribunal peut examiner tout autre fragment de la pièce et ordonner que, avec le fragment de la pièce ainsi produit précédemment, l'ensemble ou tout fragment de cet autre fragment de la pièce soit produit par cette partie en tant que pièce produite par elle.

(6) Aux fins de déterminer si l'une des dispositions du présent article s'applique, ou aux fins de déterminer la valeur probante, le cas échéant, qui doit être accordée aux renseignements contenus dans une pièce admise en preuve en vertu du présent article, le tribunal peut, sur production d'une pièce, examiner celle-ci, admettre toute preuve à son sujet fournie de vive voix ou par affidavit, y compris la preuve des circonstances dans lesquelles les renseignements contenus dans la pièce ont été écrits, consignés, conservés ou reproduits et tirer toute conclusion raisonnable de la forme ou du contenu de la pièce.

...

(12) In this section,

“business” means any business, profession, trade, calling, manufacture or undertaking of any kind carried on in Canada or elsewhere whether for profit or otherwise, including any activity or operation carried on or performed in Canada or elsewhere by any government, by any department, branch, board, commission or agency of any government, by any court or other tribunal or by any other body or authority performing a function of government;

“copy”, in relation to any record, includes a print, whether enlarged or not, from a photographic film of the record, and “photographic film” includes a photographic plate, microphotographic film or photostatic negative;

“court” means the court, judge, arbitrator or person before whom a legal proceeding is held or taken;

...

(12) Les définitions qui suivent s’appliquent au présent article.

« affaires » Tout commerce ou métier ou toute affaire, profession, industrie ou entreprise de quelque nature que ce soit exploités ou exercés au Canada ou à l’étranger, soit en vue d’un profit, soit à d’autres fins, y compris toute activité exercée ou opération effectuée, au Canada ou à l’étranger, par un gouvernement, par un ministère, une direction, un conseil, une commission ou un organisme d’un gouvernement, par un tribunal ou par un autre organisme ou une autre autorité exerçant une fonction gouvernementale.

« copie » Relativement à une pièce, est assimilée à une copie une épreuve, agrandie ou non, tirée d’une pellicule photographique représentant cette pièce, et « pellicule photographique » s’entend notamment d’une plaque photographique, d’une pellicule microphotographique et d’un cliché au photostat.

« pièce » Sont assimilés à une pièce l’ensemble ou tout fragment d’un livre, d’un document, d’un écrit, d’une fiche, d’une carte, d’un ruban ou d’une autre chose sur ou dans lesquels des

renseignements sont écrits, enregistrés, conservés ou reproduits, et, sauf pour l'application des paragraphes (3) et (4), toute copie ou transcription admise en preuve en vertu du présent article en conformité avec le paragraphe (3) ou (4).

“legal proceeding” means any civil or criminal proceeding or inquiry in which evidence is or may be given, and includes an arbitration;

« procédure judiciaire » Toute procédure ou enquête, en matière civile ou pénale, dans laquelle une preuve est ou peut être faite, y compris l'arbitrage.

“record” includes the whole or any part of any book, document, paper, card, tape or other thing on or in which information is written, recorded, stored or reproduced, and, except for the purposes of subsections (3) and (4), any copy or transcript admitted in evidence under this section pursuant to subsection (3) or (4).

« tribunal » Le tribunal, le juge, l'arbitre ou la personne devant qui une procédure judiciaire est exercée ou intentée.

FEDERAL COURT
SOLICITORS OF RECORD

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APPEARANCES:

Kevin Sartorio	FOR THE APPLICANT
Andrea Rush	FOR THE RESPONDENT

SOLICITORS OF RECORD:

Gowling Lafleur Henderson LLP Toronto, Ontario	FOR THE APPLICANT
Heenan Blaikie LLP Toronto, Ontario	FOR THE RESPONDENT