

Federal Court



Cour fédérale

**Date: 20121030**

**Docket: T-257-11**

**Citation: 2012 FC 1260**

**Toronto, Ontario, October 30, 2012**

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

**BETWEEN:**

**MONSTER CABLE PRODUCTS, INC.**

**Applicant**

**and**

**MONSTER DADDY, LLC**

**Respondent**

**REASONS FOR ORDER AND ORDER**

[1] The present Application is an Appeal under subsection 56(1) of the *Trade-marks Act*, RSC 1985, c T-13 (the *Act*) of a decision of the Registrar of Trade-marks' delegate (the Registrar) dated December 2, 2010, rejecting, in part, the Opposition of Monster Cable Products (Monster Cable), to application No. 1, 349,306 for the trade-mark MONSTER (the Mark). Monster Daddy, LLC (Monster Daddy) filed to register the Mark on May 29, 2007, based on proposed use with the following wares:

Adhesives for general industrial and commercial use; chemicals for use in the manufacture of cleaning solutions; all purpose cleaners and wipes for multi-purpose uses; cleansing products, namely, laundry soaps and disposable wipes for household, commercial and industrial use; vehicle waxes; automotive lubricants and oils; all purpose disinfecting and sanitizing preparations (the Wares).

[2] Monster Cable's Statement of Opposition filed April 2, 2008 stated the following grounds of Opposition:

1. The application does not comply with the provisions of s. 30(i) the Trademarks Act, R.C.S. 1985, c. T-13 (the Act) in that the Applicant could not have been satisfied that it was entitled to the use the Mark in Canada in association with the Wares in view of the prior adoption, use and registration by the Opponent of its trade-marks as set out hereinafter;

2. The Mark is not registrable pursuant to s. 12(l)(d) of the Act because it is confusing with the Opponent's previously registered trade-marks MONSTER, registration number TMA463392; MONSTER, registration number TMA655938; MONSTER, registration number TMA666620; MONSTER POWER, registration number TMA6 11734; MONSTER POWER registration number TMA455217; MONSTER CABLE registration number TMA444635; MONSTER CABLE registration number 664281; and MONSTER COMPUTER, registration number TMA530302;

3. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(a) of the Act because at all material times, the Mark was confusing with the Opponent's previously used trade-marks MONSTER, MONSTER POWER, MONSTER CABLE and MONSTER COMPUTER in association with wares enumerated under the registrations identified above;

4. The Applicant is not the person entitled to registration of the Mark pursuant to s. 16(3)(a) of the Act because at all material times, the Mark was confusing with the Opponent's previously used trade-marks MONSTER and MONSTER COMPUTER in association with cleaning products; cleaning preparations, namely, solutions for cleaning electronic equipment and displays; cleaning wipes; and cleaning cloths;

5. The Mark is not distinctive of the Applicant's Wares, nor is it adapted to distinguish the Applicant's Wares from the wares of the Opponent for the reasons set out above.

[Emphasis added.]

As emphasized, Monster Cable's fourth ground of Opposition is limited to cleaning products.

[3] The Registrar decided the Opposition following an oral hearing at which only Monster Cable was represented. The Registrar dismissed the first, second, and third of Monster Cable's grounds of Opposition in their entirety. However, Monster Cable was successful with respect to its limited fourth ground of Opposition. Nevertheless, in the present Appeal Monster Cable argues that it is entitled to expanded protection on the basis of additional evidence filed. Monster Daddy did not participate in the present Appeal.

[4] For the reasons that follow, I agree with Monster's Cable's expansion argument, but only with respect to one of the Wares, but I find no basis to disturb the Registrar's distinctiveness findings under the fifth ground of Opposition.

**I. Expansion of the Fourth Ground of Opposition: Confusion**

[5] With respect to the fourth ground of Opposition – the question of confusion between the parties' trade-marks pursuant to s. 16(3)(a) of the *Act* – the Registrar found a likelihood of confusion between Monster Daddy's Mark when used in association with "all purpose cleaners and wipes for multi-purpose uses; cleansing products, namely, laundry soaps and disposable wipes for household, commercial and industrial use" and Monster Cable's trade-mark MONSTER when used in association with its "cleaning preparations, namely, solutions for cleaning electronic equipment

and displays; cleaning wipes; and cleaning cloths”. In the result, I note that Monster Cable imposed its own limits on the fourth ground of Opposition and, as set out above, received the outcome it was seeking.

[6] The Registrar’s exclusion of the remaining Wares was based largely on lack of connection, or overlap, between these Wares and Monster Cable’s cleaning products, as set out paragraph 24 of the decision:

As for the nature of the parties’ respective wares, there is clearly an overlap between the Opponent’s cleaning products and Applicant’s wares described as “all purpose cleaners and wipes for multi-purpose uses; cleansing products, namely, laundry soaps and disposable wipes for household, commercial and industrial use” (hereinafter referred to as the Applicant’s cleaning products). The Applicant, in its written argument, argues that the purpose of the parties’ respective cleaning products is different. I have no evidence as to the purpose of the Applicant’s cleaning products except that it is for household, commercial and industrial use. There is no indication in the description of the Wares that they could not be used to clean television screens and other electronic equipment that may be found in a house or in a commercial or industrial environment. As for the other wares covered by the application, I do not see any overlap with the Opponent’s cleaning products.

[Emphasis added.]

[7] In the present Appeal, Monster Cable submits additional evidence, as permitted by s. 56(5) of the *Act*, to establish the likelihood of confusion with respect to the Wares excluded by the Registrar namely “adhesives for general industrial and commercial use; chemicals for use in the manufacture of cleaning solutions; vehicle waxes; automotive lubricants and oils; all purpose disinfecting and sanitizing preparations”.

[8] The leading jurisprudence on s. 56(5) of the *Act* states that an appellant is entitled to a fresh hearing, or a trial *de novo*, if additional evidence adduced in Court would have materially affected the Registrar's findings of fact or the exercise of the Registrar's discretion (*Molson Breweries, A Partnership v John Labatt Ltd*, [2000] FCJ No 159 (FCA); *Scott Paper Ltd. v Georgia-Pacific Consumer Products LP*, 2010 FC 478 (FC)). Thus, a correctness standard would apply in such circumstances. Monster Cable submits that its new evidence entitles it to a trial *de novo*, and it asks that I come to my own conclusions with respect to the Wares excluded.

[9] In *Garbo Creations Inc. v Harriet Brown & Co.*, [1999] FCJ No 1763, 176 FTR 80 (FC), Justice Evans confirmed that the new evidence must have a probative significance that extends beyond the material before the Registrar: "if it adds nothing of significance, but is merely repetitive of existing evidence without enhancing its cogency, its presence should not affect the standard of review applied by the Court on the appeal." (*Garbo Creations Inc.*, at para 37). Generally parties will submit new evidence in order to address evidentiary shortfalls noted by the Registrar (*Scott Paper* at para 46). Thus, the question that I must answer is whether the additional evidence would have materially affected the Registrar's findings with respect to the balance of the Wares.

[10] With respect to "all purpose disinfecting and sanitizing preparations", Monster Cable has supplied additional evidence to establish that its cleaning products are advertised in relation to the removal of bacteria from laptops, phones, cameras and other types of screens. As a result, I find that a likelihood of confusion exists between Monster Daddy's Mark and Monster Cable's trade-mark MONSTER when used in association with all purpose disinfecting and sanitizing preparations.

[11] However, with respect to the other excluded Wares, in my opinion Monster Cable cannot avoid the limit it imposed on the scope of the fourth ground of Opposition. Once again, the fourth ground of Opposition was based on confusion between the Mark and Monster Cable's trade-marks "in association with cleaning products; cleaning preparations, namely solutions for cleaning electronic equipment and displays; cleaning wipes; and cleaning cloths [Emphasis added]". There is no evidence that the remaining Wares "adhesives for general industrial and commercial use; chemicals for use in the manufacture of cleaning solutions," and "vehicle waxes, automotive lubricants and oils" are cleaning products.

[12] Given Monster Cable's limiting of the fourth ground of Opposition, I find that I cannot now expand the analysis to assess confusion with respect to categories of goods that were not raised before the Registrar and that do not constitute cleaning products. The jurisprudence of this Court makes it clear that while s. 56(5) of the *Act* permits new evidence on appeal, the Federal Court does not have jurisdiction to deal with issues not raised in the Statement of Opposition before the Registrar (*McDonald's Corp. v Coffee Hut Stores Ltd.*, 76 FTR 281 (FCTD), affirmed by Federal Court of Appeal at [1996] FCJ No 774 (FCA); *Parmalat Canada Inc. v Sysco Corp.*, 2008 FC 1104 (FC)). Therefore, I reject the expansion argument with respect to the remaining Wares.

## **II. Fifth Ground of Opposition: Distinctiveness**

[13] Monster Cable also submits that the Registrar erred in finding the Mark non-distinctive with respect to cleaning products only. Lack of distinctiveness is an independent ground for refusing registration under s. 38(2)(d) of the *Act*, which provides as follows:

38. (2) A statement of opposition may be based on any	38.(2) Cette opposition peut être fondée sur l'un des motifs
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of the following grounds:

suivants :

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

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

[14] Distinctiveness is defined in s. 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.

[15] The Registrar found that Monster Daddy's Mark is not distinctive and not apt to distinguish between the two parties' cleaning products. Monster Cable argues that the Registrar committed an error when it limited its analysis to Monster Cable's use of the trade-mark MONSTER in association with Monster Cable's cleaning products. Counsel for Monster Cable argues that the Registrar was required to examine distinctiveness of the Mark with respect to Monster Cable's use of its trade-mark in association with all of its products.

[16] I do not agree with Monster Cable's argument that the Registrar erred by imposing onto the fifth ground of Opposition the limits placed by Monster Cable on the fourth ground of Opposition. In paragraphs 41 and 42 of the decision, the Registrar provided an analysis of distinctiveness with respect to cleaning products based on the view that Monster Cable had the best opportunity of succeeding relative to that category of Wares. In my opinion, the view implies that the Registrar considered and decided that the Mark was distinctive in relation to the other category of products.

[17] The scope of the fifth ground of the Opposition, and the task of the Registrar, is set out in paragraph 4(e) of the materials submitted by Monster Cable in the Opposition proceedings:

Monster Cable Products, Inc. (“the Opponent”) filed a Statement of Opposition on April 2, 2008 asserting the following grounds:

[...]

(e) Pursuant to Section 38(2)(d) of the Trade-marks Act, the said trade-mark is not distinctive of the applicant’s wares and from the wares of the opponent, for the reasons set out in paragraphs 4(a)(b) and (c) above.

Subparagraphs 4(a),(b) and (c) are the second, third and fourth grounds of Opposition. These grounds are based on confusion with respect to Monster Cable’s registered trade-marks used in association with its electrical products (i.e. cables, electrical wires, connectors, batteries, various cords, circuit breakers and other electrical products) and Monster Cable’s previously used trade-marks in association with its cleaning products. Thus, it is clear that the fifth ground of Opposition is premised on confusion between Monster Daddy’s Mark and Monster Cable’s trade-marks in association with its electrical products and cleaning products only.

[18] Confusion in the context of distinctiveness relates to confusion as to the source of the wares associated with trade-marks. (*Cross-Canada Auto Body Supply (Windsor) Ltd. v Hyundai Auto Canada*, 2007 FC 580 (FC) at para 18). The test for distinctiveness is whether a clear message has been given to the public that the wares with which the trade-mark is associated and used are the wares of the owner and not of another party (*Cross-Canada Auto Body Supply* at para 17). Distinctiveness is thus a matter of fact and requires a close examination of the evidence.



[19] When the Registrar engaged the fifth ground of Opposition, conclusions had been reached with respect to the other grounds of Opposition, in particular, the question of confusion. The Registrar's reasons make it clear that the cleaning products were the only wares that were found to be problematic within Monster Daddy's Application. Justice Binnie's words in *Mattel U.S.A. Inc. v 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 SCR 772 (SCC), at paragraph 25, are worth considering:

The onus remained throughout on the respondent [trademark registration applicant] to establish the absence of likelihood, but the Board was only required to deal with potential sources of confusion that, in the Board's view, have about them an air of reality.

[Emphasis added.]

It is clear that the Registrar did not think, based on the evidence, that there was any air of reality to the non-distinctiveness of the Mark in relation to anything but cleaning products. This finding was open to the Registrar.

[20] However, with respect to s. 6(2) of the *Act*, Counsel for Monster Cable argues that having established that the Mark was not distinctive with respect to the cleaning products, the Registrar erred in not finding lack of distinctiveness with respect to all of the wares:

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

6.(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 commerce dans la même région serait susceptible de faire conclure que les marchandises liées à ces marques de commerce sont fabriquées, vendues, données à bail ou louées, ou que les services liés à ces marques sont

loués ou exécutés, par la même personne, que ces marchandises ou ces services soient ou non de la même catégorie générale.

[Emphasis added]

[21] I accept Counsel's argument that confusion can be established across dissimilar wares or services. However, this is generally occurs in cases where the reputation or fame of a mark is so great that the use of that mark across product lines still suggests a connection with the owner of the famous mark. Otherwise, trade-marks are generally considered in association with the wares or services with which they are used (*Polo Ralph Lauren Corp. v United States Polo Association* (2000), 9 CPR (4th) 51 (FCA) at para 18; *Toyota Jidosha Kabushiki Kaisha v Lexus Foods Inc.*, [2001] 2 FC 15; 9 CPR (4th) 297 at para 7 (FCA).

[22] Addressing the last words of subsection 6(2), Justice Binnie in *Mattel* at paragraph 51 stated as follows:

This is not to say the nature of the wares or services is irrelevant. Section 6(5) specifically identifies "the nature of the wares, services or business" as a relevant consideration. The point of the underlined words in s. 6(2) is simply to lay it down in clear terms that the general class of wares and services, while relevant, is not controlling.

Justice Binnie also emphasized at paragraph 63 that fame of a mark alone cannot trump all of the other relevant factors and that the correct test to assess whether a mark transcends the differences between wares or services is the totality of the circumstances. The present tense should be used.

[23] The pertinent evidence before the Registrar was introduced through the Affidavit of David Tognotti, Monster Cable's General Counsel and Vice-President, sworn on October 14, 2008. The exhibits to Mr. Tognotti's Affidavit indicate that Monster Cable's electrical products and its

cleaning products are available for sale and sold across Canada. The Tognotti Affidavit also provides unit sales in Canada for a number of years in relation to both electrical products and cleaning products and includes copies of advertisements of its cleaning products. Mr. Tognotti states that Monster Cable invests a significant amount of money into advertisement and marketing and Monster Cable's trade-marks are prominently used at trade shows and its products win awards for innovation. While the evidence clearly establishes the use of Monster Cable's trade-marks in Canada and that Monster Cable products are sold in Canada, in my opinion, Mr. Tognotti's evidence does not establish reputation to the extent argued.

[24] There is almost nothing in the evidence that addresses the public's knowledge or perception of Monster Cable's trade-marks; where do Monster Cable's advertisements appear and how widely circulated they are in Canada? In my opinion, it is not sufficient for a VP of Monster Cable to simply assert that Monster Cable is well known or well regarded by its customers. Such self-serving evidence cannot speak to the perceptions or knowledge of the public (*Molson Breweries* at para 58) and, in my opinion, trade shows attendees are generally not representative of the everyday customer of the consumer goods. Industry awards also do not establish that a mark is well known among those likely to make a purchase at the consumer level.

[25] I find that the type of trade-mark protection sought by Monster Cable is not warranted based on the evidentiary record. In my opinion, Monster Cable has not submitted new evidence that would have materially affected the Registrar's findings with respect to s. 38(2)(d) of the *Act*. The additional evidence was tendered by way of a supplementary affidavit from Mr. Tognotti, sworn on September 16, 2011. The affidavit and the accompanying exhibits do not speak to the

distinctiveness of Monster Cable's mark across various categories of wares. In fact, the additional evidence relates primarily to cleaning products, on which the Registrar found in favour of Monster Cable. Where, as here, additional evidence is not of the kind that would have materially affected the Registrar's findings, whether of fact, law or discretion, the Registrar's decision is required to be reviewed with a considerable level of deference on a standard of reasonableness (*Mattel; Garbo Creations; Molson Breweries*).

[26] Thus, I find that the Registrar's decision with respect to the fifth ground of Opposition is reasonable.

**ORDER**

**THIS COURT ORDERS that** the present Appeal is allowed but only to the limit stated in the reasons provided with respect to “all purpose disinfecting and sanitizing preparations.”

I make no order as to costs.

“Douglas R. Campbell”

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Judge

**FEDERAL COURT**

**SOLICITORS OF RECORD**

**DOCKET:** T-257-11

**STYLE OF CAUSE:** MONSTER CABLE PRODUCTS, INC. V MONSTER DADDY, LLC

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** OCTOBER 9, 2012

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**DATED:** OCTOBER 30, 2012

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No appearance FOR THE RESPONDENT

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