

Date: 20071119

Docket: A-596-06

Citation: 2007 FCA 367

**CORAM: RICHARD C.J.
 NADON J.A.
 PELLETIER J.A.**

BETWEEN:

ACCESSOIRES D'AUTOS NORDIQUES INC.

Appellant

and

CANADIAN TIRE CORP.

Respondent

Heard at Ottawa, Ontario, on October 31, 2007.

Judgment delivered at Ottawa, Ontario, on November 19, 2007.

REASONS FOR JUDGMENT BY:

RICHARD C.J.

CONCURRED IN BY:

**NADON J.A.
PELLETIER J.A.**

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REASONS FOR JUDGMENT

RICHARD C.J.

[1] It may not surprise hockey fans that Quebec City's former National Hockey League team, the Quebec *Nordiques*, continues to attract the nostalgia of this city's population, as is shown by a survey produced in evidence in the trade-mark dispute before this court.

[2] This is an appeal of a decision made by Justice Pierre Blais of the Federal Court (*Canadian Tire Corp. v. Accessoires d'Autos Nordiques Inc.*, [2006] F.C.J. 1801, 2006 FC 1431) allowing an appeal by the Respondent, Canadian Tire Corporation, under section 56 of the *Trade-marks Act*, R.S.C. 1985, c. T-13 (The "Act").

[3] The judgment set aside a decision made by the Trade-marks Opposition Board acting by the delegated authority of the Registrar of Trade-marks (“Registrar”) on April 12, 2005 which refused Canadian Tire’s trade mark application number 860,710 seeking registration of the trade-mark NORDIC & Snowflake Design.

[4] The Appellant, Accessoires d’Autos Nordiques Inc. (“Nordiques”), is appealing the decision of the Federal Court that the Respondent’s trade-mark does not constitute ‘confusion’ by virtue of section 6(5) of the *Trade-Mark Act*.

[5] The trade-marks in issue are as follows;

- a) The registered trade-mark NORDIQUES, Registration No. TMA367,415 is owned by the Appellant Accessoires d’Autos Nordiques Inc. for use with automobile parts and accessories; and



- b) The registration of the trade-mark NORDIC & Snowflake Design, application NO. 860, 710, for use with tires, is being sought by Canadian Tire Corporation, Limited, the Respondent.



Relevant Facts

[6] The Appellant, Accessoires d'Autos Nordiques Inc., is the owner of the registered trade-mark NORDIQUES, Registration NO. TMA367,415, for use with automobile parts and accessories, as well as the trade-mark NORDIQUES and N Design and the trade name Accessoires d'Autos Nordiques Inc.

[7] On November 6, 1997, Canadian Tire filed an application, based on proposed use, to register the trade-mark NORDIC for use with tires.

[8] On April 19, 2000, Canadian Tire's NORDIC mark was advertised in the *Trade-Marks Journal* for opposition purposes. Nordiques opposed the application on the basis of its previously registered and previously used NORDIQUES marks and trade-name.

[9] The principal question before the Registrar was whether there was a likelihood of confusion between the registered mark NORDIQUES and NORDIC, when both are used in association with automobile parts and accessories, as well as tires. The Appellant was successful before the Registrar.

[10] The Registrar made the following findings: (a) that Canadian Tire did not prove, on a balance of probabilities, that there is no likelihood of confusion between the two trade-marks when used in association with automobile parts and accessories; (b) both trade-marks have a commonality of ideas because both suggest that the wares are meant to be used during winter; (c)

they are phonetically identical to a monolingual French speaking person; (d) there is overlap between some of the wares covered by the NORDIQUES' certificate of registration and the wares listed in the NORDIC application; (e) the nature of both parties' business is similar; and (f) the NORDIC mark is not distinctive within the meaning of s. 2 of the *Trade-marks Act*.

[11] Central to the Registrar's determination was his refusal to accept Canadian Tire's argument that the trade-mark NORDIC evoked the name of the now-defunct National Hockey League team, Quebec *Nordiques*, and not the tire-concessionaire's trade-mark NORDIQUES.

[12] On the ground that both NORDIC and NORDIQUES are phonetically identical to a monolingual French speaking person, the Registrar determined that NORDIC, Canadian Tire's trade-mark, could be confused with NORDIQUES, Accessoires d'Autos Nordiques' trade-mark.

[13] Canadian Tire appealed this decision to the Federal Court and filed additional evidence in the form of 14 affidavits.

[14] Blais J. labelled subsection 6(5)(e) of the *Trade-marks Act*, which concerns the degree of resemblance between the Trade-marks in appearance, sound or ideas suggested, the "crucial factor" in this case (*Canadian Tire Corp. v. Accessoires d'Autos Nordiques Inc.*, [2006] F.C.J. No. 1801, 2006 FC 1431, paras. 32-35).

[15] In his review of the possibility of confusion between the trade-marks according to section 6(2) of the *Trade-Mark Act*, Blais J. agreed with the conclusions of the Registrar on almost all of the

criteria of section 6(5) but did not agree with the Registrar's conclusions with regard to 6(5)(e) of the *Act*.

[16] The Registrar's decision was based on the finding that the dominant portion of the Respondent's mark was the word NORDIC and the sound it made when spoken. However, Blais J. concluded that when considering the possibility of confusion between two trade-marks, each particular trade-mark must be considered as a whole and not broken into their component parts to highlight differences.

[17] He then referred to the Corbin, Laurendeau and Pierce affidavits in the context of 6(5)(e) of the *Trade-marks Act* and, relying on this new and additional evidence, determined that the trade-marks were very different in appearance, evoked different ideas and that there had been no instance of confusion.

[18] The Corbin survey/affidavits established that the Quebec area where the Appellant's enterprise was located, the trade-mark NORDIQUES overwhelmingly evoked images of the hockey team, the Quebec *Nordiques*, and not the Appellant's trade-mark.

[19] Blais J. found that the two marks in question were not only dissimilar in appearance but also bring to mind different ideas, which would likely limit the possibility of confusion on the part of consumers. He concluded:

When I weigh all of the elements against the similarity in the pronunciation of the two trade-marks in French and the similarity in the nature of the trades, I find that, on a balance of probabilities, registration of the proposed trade-mark is unlikely to create confusion (para. 45)

[20] In reviewing the Registrar's finding on this particular issue on a standard of correctness, Blais J. found that the Registrar's findings were incorrect.

Analysis

[21] Subsection 12(1) (d) of the *Act* prohibits the registration of a trade-mark if it is confusing with an existing registered trade-mark. Subsection 6(5) of the *Act* sets out the elements that should be considered by the Registrar in determining whether confusion might arise from the registration:

Trade-marks Act (R.S., 1985, c. T-13)

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.

[...]

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;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the wares, services or business;

Loi sur les marques de commerce (L.R., 1985, ch. T-13)

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.

[...]

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;
- b) la période pendant laquelle les

(d) the nature of the trade; and

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

marques de commerce ou noms commerciaux ont été en usage;

c) le genre de marchandises, services ou entreprises;

d) la nature du commerce;

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.

[...]

[...]

When trade-mark registrable

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

(a) a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years;

(b) whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;

(c) the name in any language of any of the wares or services in connection with which it is used or proposed to be used;

(d) confusing with a registered trade-mark;

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 :

a) elle est constituée d'un mot n'étant principalement que le nom ou le nom de famille d'un particulier vivant ou qui est décédé dans les trente années précédentes;

b) qu'elle soit sous forme graphique, écrite ou sonore, elle donne une description claire ou donne une description fausse et trompeuse, en langue française ou anglaise, de la nature ou de la qualité des marchandises ou services en liaison avec lesquels elle est employée, ou à l'égard desquels on projette de l'employer, ou des conditions de leur production, ou des personnes qui les produisent, ou du lieu d'origine de ces marchandises ou services;

c) elle est constituée du nom, dans une langue, de l'une des marchandises ou de l'un des services à l'égard desquels elle est employée, ou à l'égard desquels on projette de l'employer;

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

[22] The applicable standard of proof in a trade-mark opposition is that of a balance of probabilities. In other words, the Registrar has to be reasonably satisfied that, on a balance of probabilities, it is improbable that the registration of the trade-mark will create confusion. In *Christian Dior, S.A. v. Dion, Neckwear Ltd.*, [2002] 3 F.C. 405, (2002), 216 D.L.R. (4th) 451

(F.C.A.) (“Christian Dior”), the Federal Court of Appeal adopted the Federal Court’s Justice Marceau’s formulation in *Playboy Enterprises Inc. v. Germain* (1978), 39 C.P.R. (2d) 32 (F.C.T.D.) at para. 38, aff. (1979), 43 C.P.R. (2d) 271 (F.C.A.);

12 The most accurate formulation of the test seems to me to be the one suggested by Marceau J. (as he then was) in *Playboy Enterprise Inc. v. Germain* [...]:

The question whether a mark is likely to be confusing with another mark in the minds of the public and within the meaning of the law, is a question of fact, or more precisely a question of opinion as to probabilities based on the surrounding circumstances and the particular facts of the case.

(*Christian Dior*, para. 12)

[23] In considering the possibility of confusion, the trade-marks in question must be considered as a whole. This was stated in *British Drug Houses Ltd. v. Battle Pharmaceuticals*, [1944] Ex. C.R. 239, at p. 251, affirmed [1946] S.C.R. 50:

It is, I think, firmly established that, when trade marks consist of a combination of elements, it is not a proper approach to the determination of whether they are similar to break them up onto their elements, concentrate attention upon the elements that are different and conclude that, because there are differences in such elements, the marks as a whole are different. Trade Marks may be similar when looked at in their totality even if differences may appear in some of the elements when viewed separately. **It is the combination of the elements that constitutes the trade mark and gives distinctiveness to it, and it is the effect of the trade mark as a whole, rather than of any participate part in it, that must be considered** (the emphasis is ours) (*British Drug Houses*, p. 251).

[24] The Federal Court in the case of *United States Polo Assn. v. Polo Ralph Lauren Corp.* (2000) 9 C.P.R. (4th) 51, (2000) 215 F.T.R. 160, aff’d [2000] F.C.J. No. 1472 (C.A.) (“United States Polo Assn.”), stated that the “the trade-marks at issue must be considered in their totality” (*United States Polo Assn.*, para. 18, citing *United Artists Corp. v. Pink Panther Beauty Corp.* [1998] 3 F.C. 534 (F.C.A.). para. 34) and that “the enumerated factors in subsection 6(5) need not be attributed

equal weight. Each particular case of confusion might justify greater emphasis being given to one criterion than to others” (*United States Polo Assn.*, para. 18, citing *Pink Panther*, *ibid.* para. 38.).

[25] The Supreme Court of Canada has indicated that in the “all surrounding circumstances test”, all of the elements stated in subsection 6(5)(e) must be considered. However the list is not exhaustive. (*Mattel Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772, 49 C.P.R. (4th) 321 (S.C.C.), paras. 51 and 54).

[26] The standard of review to be applied by appellate courts to findings of fact and inferences of fact is that of palpable and overriding error. Justice Bastarache, at paragraph 15 of *Van de Perre v. Edwards*, [2001] 2 S.C.R. 1014, defined a palpable and overriding error as one "that gives rise to the reasoned belief that the trial judge must have forgotten, ignored or misconceived the evidence in a way that affected his conclusion." The standard of correctness is applied to pure questions of law or questions of mixed fact and law where the error is related to the characterization of the legal standard to be applied (*Housen v. Nikolaisen* (2002), 211 D.L.R., (4th) (S.C.C.), paras. 10, 25, 28, 32-33, *Elders Grain Co. v. M/V Ralph Misener (The)*, [2005] F.C.J. No. 612, 2005 FCA 139, para.11-12).

[27] The question of whether Blais J. applied the proper standard of review to the decision of the Registrar is a question of law which is reviewable by this Court on a correctness standard (*Housen v. Nikolaisen*, [2002] 2 S.C.R. 235, [2002] S.C.J. No. 31, paras. 19-23, 25).

[28] Blais J. stated the proper principles applicable to the review on appeal of the Registrar's decision. On an appeal under section 56 of the Trade-marks Act, the Board's decision is to be reviewed on the standard of reasonableness, unless additional evidence is adduced on appeal that would have materially affected that decision.

[29] The law is succinctly stated in *Molson Breweries v. John Labatt Ltd.*, [2000] 3 F.C. 145. The Registrar's decision has to be accorded some deference despite the existence of an express right of appeal provided in section 56 of the *Act*. Therefore, when no additional evidence is introduced before the Federal Court, the standard of review applicable to the Registrar's decisions of fact, law or discretion is reasonableness. When such evidence is introduced, however, the standard of review is different as noted by Justice Rothstein:

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 must come to his or her own conclusion as to the correctness of the Registrar's decision** (*Molson Breweries*, para. 51).

[30] As this Court held in *Maison Cousin (1980) Inc. v. Cousins Submarines Inc.*, 2006 FCA 409, [2006] F.C.J. No. 1968, where new evidence, which is material to the final decision is filed, the Federal Court is not limited to finding an error in the decision under review. The Court is entitled to draw its own conclusions on the basis of the record before it, which includes the evidence before the Registrar as well as the new evidence. In that context, the Court is obviously called to make the correct decision, but it is not reviewing the decision of the Registrar on the standard of correctness.

[31] In the Federal Court, new evidence pertinent to the analysis conducted under subsection 6(5)(e) of the *Act* was introduced by Canadian Tire in the form of the Corbin affidavit. Further evidence was introduced by the supplementary Laurendeau, Simard and Pierce affidavits.

[32] The Registrar had refused to accept Dr. Laurendeau's conclusions with respect to the ideas suggested by the respective trade-marks, notably that the trade-mark NORDIQUE evoked the now-defunct NHL hockey team and not Accessoires d'Autos Nordique's trade-mark. The Registrar had refused to accept this argument since "this conclusion is not supported by evidence, including survey evidence" (*Registrar's Decision*, Trade-marks Opposition Board, dated April 2005).

[33] In response, the Respondent commissioned a survey from Dr. Corbin to assess the extent to which the word NORDIQUES brings to mind the Nordiques hockey team. This survey demonstrates the inherent distinctiveness of the NORDIQUES trade-mark and the ideas it suggests. The results of the survey showed that "[a]s a matter of first impression, 80 % of Quebec purchasers of auto-parts or tools think of hockey when seeing the word NORDIQUES. [...] As a matter of first and second impression combined, 96% think of hockey or some reference to hockey" (*Corbin survey*, p. 490).

[34] The evidence of Mr. Yves Simard, a brand expert in Quebec, demonstrated that a French-speaking consumer would understand the word NORDIQUES to mean a group of people and in particular, the former Quebec hockey team by the same name.

[35] The Pierce affidavit was relevant to the issue of resemblance between the trade-marks in sound and the weight to be given to this factor. In testifying, Mr. Pierce stated that in his experience, “consumers do not order by telephone and to the extent they rely on a trade mark in the context of a purchasing decision it is the visual representation of the mark which is significant” (*Pierce affidavit*, p. 21). Mr. Pierce also testified that no inquiries had been received in Canadian Tire’s Quebec City stores as to whether their tires were sold by the Appellant’s business and that no incidences of confusion between the wares of either the Appellant or the Respondent wares had been reported.

[36] The first Laurendeau affidavit had suggested that the word NORDIQUES evoked thoughts of, for the Quebecois, the hockey team. The Appellant had attempted to discredit Dr. Laurendeau’s findings. The additional Laurendeau affidavit suggests that the *Nordiques* hockey team had become an ethno-cultural stereotype and that “any observer of the ethno-cultural and ethno-linguistic reality of Quebec would corroborate the observation made [...] about the close connection between the word ‘*Nordiques*’ and the former hockey team of Quebec City” (*Laurendeau affidavit*, p. 28).

[37] This new evidence shed new light on the analysis of the element of subsection 6(5)(e) of the *Act*, that which pertains to the degree of resemblance between the trade-marks or trade-names in (1) appearance, (2) sound or in (3) the ideas suggested by them.

[38] The new evidence supported Canadian Tire’s argument before the Registrar that that the word NORDIQUES, when read aloud, evoked the NORDIQUES hockey team rather than the Appellant’s NORDIQUES trade-mark.

[39] In considering the new evidence in the affidavits, the judge came to the conclusion that the sound component of the trade-marks in question was not the only deciding factor and that the idea evoked by the trade-mark, as well as their appearance were also factors that should be taken into consideration (*Canadian Tire Corp. v. Accessoires d'Autos Nordiques Inc.*, [2006] F.C.J. No. 1801, 2006 FC 1431, paras. 32-40).

[40] Although the judge agreed with the majority of the conclusions drawn by the Registrar with regard to the elements of subsection 6(5) of the *Act* concerning confusion, new evidence led the judge to conclude that the Registrar's application of subsection 6(5)(e) of the *Act* was incorrect.

[41] As a result, Blais J. properly reviewed the Registrar's decision under subsection 6(5) of the *Act* on a correctness standard.

[42] Although surveys were once excluded from an analysis based on section 6(5) of the *Act*, "The more recent practice is to admit evidence of a survey of public opinion, presented through a qualified expert, provided its findings are relevant to the issues and the survey was properly designed and conducted in an impartial manner" (*Mattel, supra*, para. 43).

[43] The Appellant did not object to the admissibility of the expert evidence at the Federal Court level. Consequently, "[a]n appeal from a evidentiary error can fail if the party appealing did not object in a timely fashion to the admission of the evidence or to an erroneous jury direction [and that it] is evident that a party identifying an evidentiary error should object in order not only to ensure

the proper application of the rules of evidence, but to secure an effective right to appeal” (Paciocco, D.M. & Stuesser, L., *The Law of Evidence* (4d) 2005, ps. 21-22).

[44] The Registrar based his decision on the fact that the Appellant’s trade-mark was phonetically similar to the Respondent’s trade-mark and did not consider any other aspect of the trade-mark (i.e. the design) in his analysis. Upon receiving additional evidence, Blais J. conducted the appropriate analysis of the issue; he considered the whole trade-mark and all of the criteria of s. 6(5). In doing so, he did not commit any reviewable error.

[45] Accordingly, the appeal will be dismissed with costs.

"J. Richard"
Chief Justice

“I agree
M. Nadon J.A.”

“I agree
J.D. Denis Pelletier J.A.”

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-596-06

**APPEAL FROM A JUDGMENT OF THE FEDERAL COURT DATED
NOVEMBER 27, 2006 DOCKET NO T-1003-05.**

STYLE OF CAUSE: ACCESSOIRES D'AUTO NORDIQUES INC. v.
CANADIAN TIRE CORPORATION, LIMITED.

PLACE OF HEARING: Ottawa, Ontario

DATE OF HEARING: October 31, 2007

REASONS FOR JUDGMENT BY: Richard C.J.

CONCURRED IN BY: Nadon J.A.
Pelletier J.A.

DATED: November 19, 2007

APPEARANCES:

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