

Federal Court



Cour fédérale

Date: 20150224

Docket: T-1605-13

Citation: 2015 FC 240

Ottawa, Ontario, February 24, 2015

PRESENT: The Honourable Mr. Justice LeBlanc

BETWEEN:

LES RESTAURANTS LA PIZZAIOLLE INC.

Applicant

and

PIZZAIOLO RESTAURANTS INC.

Respondent

JUDGMENT AND REASONS

[1] The applicant has filed an appeal under section 56 of the *Trade-marks Act*, RSC (1985), c T-13 (the Act), of a decision of the Registrar of Trade-marks (the Registrar) dated July 4, 2013, that upheld only in part its objection to two applications for registration filed by the respondent for the trade-marks PIZZAIOLO and Design and PIZZAIOLO.

[2] The appeal is allowed for the following reasons.

I. Background

[3] Both parties are in the restaurant business. Since the early 1980s, the applicant has operated several pizzerias in the Montréal region, under the trade-name LA PIZZAIOLLE (or the variant PIZZAIOLLE) while the respondent has been doing the same thing in the Toronto region, under the trade-name PIZZAIOLO, since the early 2000s.

A. *The respondent's applications for registration*

[4] On October 24, 2008, the respondent filed with the Registrar, under the numbers 1,416,446 and 1,416,447 respectively, two applications to register the trade-marks PIZZAIOLO and Design (the Graphic Mark) and PIZZAIOLO (the Word Mark). The Graphic Mark looks like this:



[5] Each application was based on an allegation of use of the marks that are the subject of the respondent's two applications since November 13, 2000 (claimed date of first use) for the following wares and services:

Wares: (1) Gourmet pizzas; calzone, namely garlic bread and bruschetta; chicken wings; salads; non-alcoholic beverages, namely soft drinks, vegetable and fruit juices, coffee and bottled water. (2) Merchandise used in the operation of restaurants, namely menus, posters, pizza boxes and paper napkins.

Services: (1) Take-out and sit-down restaurant; delivery services, namely delivery of prepared food; online food ordering services; catering services; franchising services, namely rendering technical assistance in the establishment and operation of restaurants.

B. *The applicant's objection*

[6] On January 6, 2010, the applicant filed with the Registrar, in accordance with section 38 of the Act, a statement of opposition for each of the respondent's applications based on paragraphs 38(2)(a) to 38(2)(d) of the Act. In particular, the applicant alleged that the Graphic Mark PIZZAIOLO and the Word Mark PIZZAIOLO (collectively the Marks) were confusing with its registered word trade-mark, LA PIZZAIOLLE (or the variant PIZZAIOLLE), which was used in Canada prior to the claimed date of first use, and consequently:

- i. The Marks are not registrable under paragraph 12(1)(d) of the Act (s 38(2)(b));
- ii. They are not distinctive, contrary to the requirements of section 2 of the Act (s 38(2)(d));
and
- iii. The respondent is not the person entitled to registration of the Marks under subsection 16(1) of the Act (s 38(2)(c)).

[7] The applicant also alleged that the respondent's applications did not comply with section 30 of the Act (s 38(2)(a)), in particular because the Marks had not been used since the claimed date of first use in association with each of the wares and services described in the applications.

[8] The respondent denied each of the grounds of opposition in a counter statement filed on May 12, 2010, in accordance with subsection 38(6) of the Act.

[9] Each party filed with the Registrar evidence by affidavit; the applicant filed an affidavit from its president and secretary, Daniel Noiseux, and the respondent filed an affidavit from Luigi Petrella, its main representative and one from a trade-mark searcher employed by the law firm representing the respondent. Only Mr. Noiseux was cross-examined.

C. *The Registrar's decision*

[10] In a decision dated July 4, 2013, the Registrar, per Annie Robitaille, member of the Trade-marks Opposition Board and Registrar's delegate within the meaning of subsection 63(3) of the Act, allowed in its entirety the applicant's opposition to registration of the Word Mark PIZZAIOLO (application 1,416,417).

[11] As for the application regarding the Graphic Mark PIZZAIOLO (application 1,416,416), the Registrar allowed the applicant's opposition only in part, determining that the Graphic Mark was not confusing with the Word Mark filed by the applicant, LA PIZZAIOLLE, but that it could be used only with certain wares and services described in the relevant application.

[12] In rendering his decision, the Registrar first identified the two determinative issues that he thought necessary to resolve, the first was to determine whether, given the combined effect of paragraphs 38(2)(a) and 30(b) of the Act, the respondent had used the Marks in association with each of the wares and services described in the applications since the claimed date of first use;

the second involved determining, given the combined effect of paragraphs 38(2)(b) to (d), of section 2 and paragraphs 12(1)(d) and 16(1)(a) of the Act, whether there is a likelihood of confusion between the Marks and the word trade-mark LA PIZZAIOLLE (or its variant PIZZAIOLLE) as used and registered by the applicant.

[13] He then described the burden of proof on the parties; the applicant having the burden to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist and the respondent having the burden to establish on a balance of probabilities that each of its applications complies with the requirements of the Act.

(1) The issue of the use of the wares and services at the claimed date of first use

[14] For the first issue, the Registrar, after reviewing the evidence submitted by the respondent, determined that it had not succeeded in proving continuous use, between the claimed date of first use and the date its applications were filed, of the Graphic Mark and the Word Mark in association with the wares and services covered by the applications, except with respect to the following wares and services:

Wares: Gourmet pizza;

Services: Take-out and sit-down restaurant; delivery services, namely delivery of prepared food.

[15] To the extent that it involved those wares and services, the Registrar rejected this ground of opposition to both applications.

(2) The issue of the likelihood of confusion

[16] For the second issue, the Registrar, determining that the test for confusion was the same for each of the grounds of opposition pleaded by the applicant, whether based on non-registrability (s 12(1)), non-entitlement (s 16(1)) or non-distinctiveness (s 2), found that the use of the Word Mark PIZZAIOLO created a likelihood of confusion with the Word Mark LA PIZZAIOLLE (or its variant PIZZAIOLLE) as used and registered by the applicant. However, he determined that this did not apply to the use of the Graphic Mark PIZZAIOLO.

[17] The Registrar first reviewed the ground of opposition based on paragraph 16(1)(a) of the Act, by which the respondent is not the person entitled to register the Graphic Mark or the Word Mark on the ground that on the claimed date of first use, each of the two Marks created confusion with the word mark LA PIZZAIOLLE that the applicant was already using in Canada in association with its restaurant services.

[18] In doing so, he first recalled the test applicable to likelihood of confusion, one of first impression and imperfect recollection of the average consumer. He also recalled that to determine, using this test, whether there is a likelihood of confusion between two competing marks, he must have regard to all of the surrounding circumstances, including those listed at subsection 6(5) of the Act, namely:

- i. The inherent distinctiveness of the trade-marks at issue and the extent to which they have become known;
- ii. The length of time the marks have been in use;

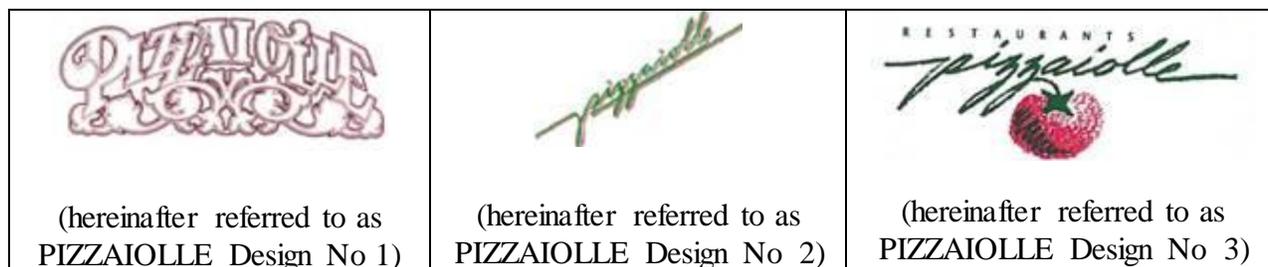
- iii. The nature of the wares, services and businesses associated with the marks;
- iv. The nature of the trade; and
- v. The degree of resemblance between the trade-marks at issue in appearance or sound or in the ideas suggested by them.

[19] In his review of the factors set out in subsection 6(5) of the Act, the Registrar made the following observations:

- i. The trade-marks at issue are highly suggestive of a pizzeria and consequently possess a low degree of inherent distinctiveness, which does not favour either party; however, at the claimed date of first use, the registered word mark LA PIZZAIOLLE (or its variant PIZZAIOLLE) was already well known in the Montréal region, which weighs in favour of the applicant, as does the length of time that mark has been in use in comparison to the Graphic Mark and the Word Mark that are subject to the respondent's applications;
- ii. However, since the wares, services and business of the parties overlap, the factors set out in paragraphs 6(5)(c) and (d) do not favour either party;
- iii. Despite a certain degree or resemblance between the marks at issue, when considered in their totality, they look and sound somewhat different as seen in the fact that the suffix IOLO, of the word mark PIZZAIOLO, can be pronounced in three syllables, whereas the suffix IOLLE, of the registered mark LA PIZZAIOLLE, can be pronounced in two syllables; moreover, the ideas suggested by the marks, although each one suggests a pizzeria, also differ somewhat in that the Graphic Mark and the Word Mark PIZZAIOLO evoke a masculine noun whereas the registered mark LA PIZZAIOLLE (or its variant PIZZAIOLLE) evokes a feminine noun;

- iv. These differences are even more pronounced when the Graphic Mark PIZZAIOLO is considered, as it includes the expression “GOURMET PIZZA” which further differentiates the Graphic Mark from the applicant’s word mark LA PIZZAIOLLE (or its variant PIZZAIOLLE), owing to its English grammatical construction.

[20] The Registrar also weighed a number of other factors deemed relevant to his analysis. First he determined that the applicant’s use of the PIZZAIOLLE variant of its registered mark (LA PIZZAIOLLE) in a special graphic form (below) was an authorized use of that mark, but that such a use further added to the distinctions existing between that mark and the Graphic Mark PIZZAIOLO.



[21] Second, he stated that the respondent’s existing registration for the mark PIZZAIOLO “THEE” PIZZA MAKER does not give it an automatic right to obtain any further registrations no matter how closely related the original registration may be to the Marks covered by the respondent’s applications.

[22] He also was of the opinion that given the large number of entries containing the word PIZZA in the Trade-marks Register, it can reasonably be inferred that the word PIZZA had been commonly adopted in the pizza and related restaurant services trade and found that it was only common sense to accept that the word is commonly used in that trade.

[23] Furthermore, the Registrar rejected, because it was not relevant to an analysis under paragraph 16(1)(a) of the Act, the factor related to the fact that the trade-marks at issue coexisted peacefully in Canada for more than a decade since the material date to consider that factor is the claimed date of first use, and not the date the applications were filed. Moreover, he did not give any weight to the fact that the applicant did not oppose or otherwise challenge the registration of the mark PIZZAIOLO “THEE” PIZZA MAKER on the grounds that the applicant’s reasons for acting this way would be based on pure speculation and, in any event, this fact also postdates the material date, namely the claimed date of first use.

[24] Based on the analysis of all these factors, the Registrar found that a consumer who has an imperfect recollection of the word mark LA PIZZAIOLLE (or its variant PIZZAIOLLE), as registered and used for the applicant’s restaurant services, would, as a matter of first impression and imperfect recollection of the mark LA PIZZAIOLLE, be likely to conclude that the wares and services covered by the respondent’s applications, are, with respect to the Word Mark PIZZAIOLO, produced, sold, performed or otherwise authorized by the applicant.

[25] Relying in particular on the decision of the Supreme Court of Canada in *Masterpiece v Alavida Lifestyles Inc*, [2011] 2 SCR 387 (*Masterpiece*), he explained this finding as follows:

(84) While I acknowledge the fact that the marks in issue are not identical, I find that the differences existing between them are not sufficient to outweigh the overall consideration of the section 6(5) factors discussed above. Contrary to the situation prevailing with the [respondent’s] applied for mark PIZZAIOLO & Design, registration of the word mark PIZZAIOLO would permit the use of the mark in any size and with any style of lettering, colour or design. As reminded in *Masterpiece, supra*, at para 59, “a subsequent use that is within the scope of the registration, and is the same or very similar to an existing mark will show how that

registered mark may be used in a way that is confusing with an existing mark”.

[26] Regarding the Graphic Mark PIZZAIOLO, he determined that the respondent had satisfied its legal onus “owing to the more pronounced differences” between said Graphic Mark and the registered word mark LA PIZZAIOLLE (or its variant PIZZAIOLLE), as used in the graphic forms reproduced at paragraph 20 of this judgment.

[27] The Registrar allowed the applicant’s non-entitlement ground of opposition pursuant to paragraph 16(1)(a) of the Act with respect to the registration of the Word Mark PIZZAIOLO (application 1,416,447) but rejected it with respect to the registration of the Graphic Mark PIZZAIOLO (application 1,416,446).

[28] The Registrar then addressed, although more succinctly, the other grounds of opposition raised by the applicant concerning the issue of confusion, namely non-registrability based on paragraph 12(1)(d) of the Act, non-entitlement to registration based, this time, on paragraph 16(1)(c) of the Act and, last, non-distinctiveness based on section 2 of the Act.

[29] Although he determined that, contrary to the review of ground of opposition based on paragraph 16(1)(a) of the Act, all of the respondent’s evidence could be taken into consideration, and not only that relevant to the claimed date of first use, the Registrar found that despite more favourable evidence, the respondent did not succeed in satisfying its burden of proving that there is no reasonable likelihood of confusion between the Word Mark PIZZAIOLO and the applicant’s registered word mark LA PIZZAIOLLE (or its variant PIZZAIOLLE). Thus, he

allowed the non-registrability ground of opposition based on paragraph 12(1)(d) of the Act with respect to the Word Mark PIZZAIOLO.

[30] However, with respect to the Graphic Mark PIZZAIOLO, the Registrar remained of the view that the respondent satisfied its burden owing to the more pronounced differences between the Graphic Mark and the registered word mark LA PIZZAIOLLE. Consequently, he rejected this ground of opposition with respect to the Graphic Mark.

[31] As for the ground of opposition based on paragraph 16(1)(c) of the Act stating that, at the claimed date of first use, each of the applied-for Marks was confusing with the applicant's trade-names (LES RESTAURANTS LA PIZZAIOLLE; PIZZAIOLLE; RESTAURANT PIZZAIOLLE; RESTAURANT "LA PIZZAIOLLE" RESTAURANTS PIZZAIOLLE; LES RESTAURANTS LA PIZZAIOLLE INC; and RESTAURANTS LA PIZZAIOLLE), the Registrar rejected it because the applicant could not achieve a more favourable result with its trade-names than with its registered trade-mark with respect to the review of the ground of opposition based on paragraph 16(1)(a) of the Act.

[32] Thus, he allowed this ground of opposition but, once again, only for the application concerning the Word Mark PIZZAIOLO.

[33] The Registrar came to the same conclusion regarding the ground of non-distinctiveness of the Marks covered by the respondent's applications: he allowed it only for the application concerning the Word Mark PIZZAIOLO, determining that his findings under the

non-registrability of the Marks applied to this ground of opposition even though the relevant dates are not the same in both cases.

[34] Last, the Registrar rejected several other grounds of opposition raised by the applicant on the grounds that they were not valid or that they were not properly pleaded. As the applicant did not reiterate these grounds of opposition in support of its appeal, it is not necessary to discuss them.

D. *The appeal brought by the applicant*

[35] This appeal applies to the portion of the Registrar's decision that found against the applicant, specifically the rejection of its opposition to the registration application for the Graphic Mark PIZZAIOLO (application 1,416,446). The portion of the Registrar's decision that allowed the applicant's opposition to the registration application for the Word Mark PIZZAIOLO (application 1,416,447) and the portion that allowed the applicant's opposition to the registration application for the Graphic Mark PIZZAIOLO in association with the wares and services for which the respondent could not prove use at the claimed date of first use are not challenged.

[36] In support of their respective positions on appeal, both parties adduced additional evidence, as permitted under subsection 56(5) of the Act. The applicant's evidence involved an additional affidavit of its representative, Mr. Noiseux, in which he submitted a series of photographs, taken during the day, showing the exterior of one of the applicant's establishments.

That was supplemental evidence to the photographs taken at night that were adduced before the Registrar.

[37] The respondent filed, in the form of four additional affidavits, evidence seeking to establish that the word PIZZA is generally a component of trade-names and trade-marks found in the pizza trade and related restaurant services.

II. Issues

[38] In my opinion, this appeal raises the following two issues:

- i. What is the standard of review applicable to the impugned portion of the Registrar's decision?
- ii. Did the Registrar err in rejecting the applicant's opposition to the registration of the Graphic Mark PIZZAIOLO?

III. Analysis

A. *Applicable standard of review*

[39] The applicant contends that for each of its grounds of opposition regarding the issue of confusion, the Registrar committed errors of law, particularly in his interpretation of *Masterpiece*, above, such that the applicable standard of review is that of correctness.

[40] The respondent, however, contends that this appeal raises questions of fact and law that are within the Registrar's expertise and consequently, in the absence of fresh evidence that, had it been adduced before him, would have materially affected Registrar's findings and the exercise of his discretion, the applicable standard of review is reasonableness. In other words, the respondent states, the Court can only intervene if the Registrar's decision is clearly wrong.

[41] Recently, in *Cyprus (Ministry of Commerce and Industry) v Producteurs Laitiers du Canada*, 2010 FC 719 [*Producteurs Laitiers du Canada*], my colleague, Justice de Montigny, aptly summarized the state of the law concerning this question:

[28] ... Generally, questions of fact or law that are within the Registrar's expertise are reviewable against the reasonableness standard; in other words, this Court will only intervene if the Registrar's decision is clearly wrong. However, it is different where additional evidence is filed with the Court and the evidence is relevant insofar as it fills a gap or remedies deficiencies identified by the Registrar. In that case, the Court may come to its own conclusion and will apply the standard of correctness. However, this will only occur where the fresh evidence is substantial and adds to what has already been submitted; if the fresh evidence is repetitive and does not enhance the probative value of the evidence already adduced, the standard of reasonableness will continue to apply. The following passage from

the decision of Justice Marshall Rothstein for the majority in *Molson Breweries v John Labatt Ltd.*, [2000] 3 F.C. 145, (C.A.), at paragraph 51, summarizes the situation well:

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 the standard of reasonableness *simpliciter*. However, where additional evidence is adduced in the Trial Division that would have materially affected Registrar's findings of fact and 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.

See also: *Christian Dior S.A. v. Dion Neckwear Ltd.*, 2002 CAF 29, at para.8; *Canadian Tire Corp. v. Accessoires d'Autos Nordiques Inc.*, 2007 FCA 367, at paras. 29-30; *Shell Canada Ltd. v. P.T. Sari Incofood Corp.*, 2008 FCA 279, at paras. 27-29; *Minolta-QMS, Inc. v. Tsai and al.*, 2006 FC 1249, at paras. 25-27.

[See also: *Proctor & Gamble Inc v Colgate-Palmolive Canada Inc*, 2010 FC 231 at paras 21-24.]

[42] Each party argues that the fresh evidence adduced by the other party is not substantial, does not add anything to the evidence already adduced before the Registrar and could not have, in this case, materially affected Registrar's findings of fact and the exercise of his discretion. However, they contend that only their own fresh evidence could have had that effect, which could mean that I must proceed *de novo* and apply the standard of correctness to the questions at issue.

[43] The effect of fresh evidence filed in the record is therefore neutral and does not exclude the rule that decisions of the Registrar are, as the law currently stands, subject to a reasonableness standard of review.

[44] In addition, as Justice de Montigny noted in *Producteurs Laitiers du Canada*, above, the case law has recognized that in certain situations, in which the issue is a purely legal one and does not involve facts or the Registrar's expertise, the standard of correctness may apply, even in the absence of fresh evidence (*Producteurs Laitiers du Canada*, at para 29).

[45] However, this is not the case here, where the issues raised, which all boil down to whether there exists a likelihood of confusion between the graphic Mark PIZZAIOLO that the respondent seeks to register and the applicant's registered mark LA PIZZAIOLLE, clearly involve facts or the Registrar's expertise.

[46] In order to intervene in this instance, I must therefore be convinced that the Registrar's decision, in respect of one or several determinative aspects, is clearly wrong. In other words, I must be convinced that the decision falls outside the range of possible, acceptable outcomes which are defensible in respect of the facts and law (*Dunsmuir v New Brunswick*, 2008 SCC 9 [*Dunsmuir*] at para 47).

B. *Did the Registrar err in dismissing the applicant's opposition to the registration of the Graphic Mark PIZZAIOLO?*

(1) Alleged errors made by the Registrar

[47] The applicant contends that the Registrar committed two determinative errors in dismissing its opposition to the registration of the graphic Mark PIZZAIOLO. The first is to have disregarded the principles set out in *Masterpiece*, above, in its analysis of the likelihood of confusion between the Graphic Mark PIZZAIOLO and the registered word mark LA PIZZAIOLLE, and to have failed to take into account the right conferred upon the applicant by the registration of the mark LA PIZZAIOLLE, to use that mark in any size and with any style of lettering, colour or design.

[48] The second error attributed to the Registrar is to have dwelled, in proceeding with an examination of the degree of resemblance of the trade-marks at issue required by paragraph 6(5)(e) of the Act, on irrelevant details, such as the number of syllables, the gender and language of the marks at issue, as well as the presence of non-distinctive elements, in this case the words "GOURMET PIZZA". The applicant is of the view that in so doing, the Registrar contravened the test of assessing the likelihood of confusion, which is based on the first impression of an ordinary consumer, be they Anglophone or Francophone, who has an imperfect recollection of the earlier mark and who does not pause to give the matter any detailed consideration or scrutiny, or to examine closely the similarities and differences between the marks. This test, according to the applicant, requires an overall examination of the marks in question, and not a microscopic examination.

[49] For the reasons that follow, I have concluded that the Registrar clearly erred in failing to take into account, in his analysis of the likelihood of confusion, the potential uses that the registration of the registered word mark LA PIZZAIOLLE (or its variant PIZZAIOLLE) confers upon the applicant. In so doing, he misapprehended the scope of *Masterpiece*. In this regard, his decision to the effect that there is no likelihood of confusion with the Graphic Mark PIZZAIOLO is flawed to the point of placing itself, in my view, outside of the range of possible, acceptable outcomes which are defensible in respect of the facts and law. In these circumstances, it will not be necessary for me to make a determination on second error attributed to the Registrar by the applicant.

(2) **Applicable principles**

[50] Canada's trade-mark regime is designed to meet two objectives that are useful to both consumers and businesses. First, it provides consumers with a reliable indication of the expected source of the wares or services they consume; as such it offers a guarantee of origin - a gauge of quality - that the consumer comes to associate with a particular trade-mark. Second, it serves to maintain a balance between free competition and fair competition by building on principles of fairness in commercial activities and thus allowing a merchant to distinguish its wares and services from those of its competitors (*Mattel, Inc v 3894207 Canada Inc*, [2006] 1 SCR 772, at para 21; *Masterpiece*, above, at para 1).

[51] In pursuing these objectives, section 19 of the Act gives the owner of a registered trade-mark, unless it is shown to be invalid, the exclusive right to the use throughout Canada of that trade-mark in respect of those goods and services referred to therein

[52] In order for this exclusive right to be effective, there cannot be confusion between the trade-mark in question and another trade-mark anywhere in Canada (*Masterpiece*, above, at paras 31 and 33). In this regard the Act provides mechanisms for the protection of the effectiveness of that right specifically through conditions under which trade-marks may be registered (section 12) and limits to the right of any person to register a trade-mark (section 16).

[53] Subsection 6(2) of the Act defines the concept of confusion between two trade-marks in the following manner:

<p>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 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.</p>	<p>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 produits liés à ces marques de commerce ont été 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.</p>
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[54] As was correctly noted by the Registrar, the courts have specified that this concept should be applied from the point of view of the average consumer. As such, in order to determine whether there is confusion between two trade-marks, one for which registration is sought and the other already registered or previously in use, one must ask oneself whether, as a first impression in the mind of a casual consumer somewhat in a hurry, the sight of the mark for which

registration is being sought is likely to give the impression, at a time when he or she has no more than an imperfect impression of the mark already registered and previously in use, and does not pause to give the matter any detailed consideration or scrutiny, or to examine closely the similarities and differences between the two marks, that the wares or services associated with these marks were produced, sold or provided, as the case may be, by the same person (*Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée*, [2006] 1 SCR 824 [*Veuve Clicquot Ponsardin*] at para 20; *Masterpiece*, above, at para 40; and *Miss Universe, Inc v Bohna*, [1995] 1 FC 614 (QL) [*Miss Universe*] at paras 10-11).

[55] This first impression test requires an overall examination of the marks at issue; close scrutiny or side by side comparison of the marks in question would therefore be anathema to this test (*Veuve Clicquot Ponsardin*, above, at para 20; *Masterpiece*, above, at para 40).

[56] Subsection 6(5) of the Act states that an examination of the likelihood of confusion between two competing trade-marks must “have regard to all of the surrounding circumstances”, including the following factors:

<p>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</p>	<p>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 :</p>
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| <p>(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;</p> | <p>a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;</p> |
| <p>(b) the length of time the trade-marks or trade-names have been in use;</p> | <p>b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;</p> |
| <p>(c) the nature of the goods, services or business;</p> | <p>c) le genre de produits, services ou entreprises;</p> |
| <p>(d) the nature of the trade; and</p> | <p>d) la nature du commerce;</p> |
| <p>(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.</p> | <p>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.</p> |

[57] Lastly, in the context of opposition to the registration of a trade-mark and assuming that the opponent has met its burden, it is up to the applicant for the registration to establish, on a balance of probabilities, that there is no likelihood of confusion with a previously used and registered trade-mark (*Miss Universe*, above, at para 11; *John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293, [1990] FCJ No 533, aff'd (1992), 42 CPR (3d) 495; *Cyprus (Ministry of Commerce and Industry) v International Cheese Council of Canada*, 2011 FCA 201, at paras 25-28, 93 CPR (4ed) 255, leave to appeal to the Supreme Court of Canada denied, 34430 (April 12, 2012). The burden in this case, as the Registrar correctly noted, was on the respondent.

(3) **Scope of *Masterpiece***

[58] The applicant in this case is seeking to protect its right to the exclusive use of the word Mark LA PIZZAIOLLE resulting from its registration of the said mark. The applicant submits that the respondent's use of the graphic Mark PIZZAIOLO threatens that monopoly because use of the two marks in a same region would be likely, on the basis of the first impression test, to create confusion as to the source of the wares and services associated with both marks. It argues that *Masterpiece*, above, when properly interpreted, in contrast to the Registrar's interpretation, provides such protection.

[59] *Masterpiece* turned out to be the occasion, for the Supreme Court of Canada, to examine "the basic approach" to be adopted with regard to determining whether competing trade-marks, in that case, on one side, marks that included the word "Masterpiece", such as "Masterpiece the Art of Living" and "Masterpiece, the Art of Retirement Living", and on the other, the registered mark "Masterpiece Living", created confusion. As in this case, the parties in that proceeding were in the same line of business in two different regions of Canada.

[60] In examining this issue, the Supreme Court focused on the factor of the resemblance between two competing marks, set out at paragraph 6(5)(e) of the Act. In doing so, it noted that, and this is what the applicant insisted upon, this factor should be assessed not only on the basis of a competing registered mark's current use but also on the basis of the uses allowed by the registration (*Masterpiece*, above, at para 53).

[61] This is what I retain from the Supreme Court's teachings on this issue:

- i. The trade-mark on an application for registration may consist either of one word or a group of words serving as a mark, or it may be a design, or it may be a word or group of words accompanied by a design; the applicant may, but is not obliged to, identify a colour as being characteristic of the mark for which registration is being sought (*Masterpiece*, above at para 54);
- ii. The expression "degree of resemblance" from paragraph 6(5)(e) means that there may be a likelihood of confusion not only in the appearance of similar competing marks but also among marks with some differences (*Masterpiece*, above, at para 62);
- iii. Given that the registration of a trade-mark confers, under section 19 of the Act, exclusive rights upon its owner, the issue is whether the trade-mark for which registration is being sought creates confusion with a registered word mark must be examined keeping in mind not only the current use of the registered mark but also the likelihood of confusion arising from the use of this mark which is nonetheless permitted by the registration; the current use of registered word mark does not therefore limit the rights of its owner because the registration of the mark grants the owner the right to use the words that constitute the mark in any size and with any style of lettering, colour or design; (*Masterpiece*, above, at paras 55-57; *Mr. Submarine Ltd v Amandista Investment Ltd*, [1988] 3 FC 91 (FCA), [1987] FCJ No 1123 (QL) at pages 102-103).
- iv. Therefore, an analysis of the likelihood of confusion that only takes into account limited use of a registered word mark would be incorrect in law, as it should not replace an examination of other potential uses within the registration; thus, a subsequent use, that is within the scope of a registration, of a registered word mark that is the same or very

similar to a competing mark, will show how that registered mark may be used in a way that is confusing with an existing mark (*Masterpiece*, above, at paras 58-59).

[62] The applicant argues that the rights granted to it by the registration of the word mark LA PIZZAIOLLE authorize it to use that mark, under its variant PIZZAIOLLE, by reproducing this word in the same size, style of lettering, colour and design as the respondent's Graphic Mark PIZZAIOLO.

[63] The applicant notes in this regard that the Registrar recognized and applied this principle in deciding to dismiss the application to register the word mark PIZZAIOLO but that he failed to take into account in his analysis the likelihood of confusion of the Graphic Mark. It is of the view that had the Registrar considered this, as he ought to have in light of *Masterpiece*, only one conclusion, consistent with the one already made with regard to the word mark, would have presented itself: the likelihood of confusion should be assessed on the basis of subsequent uses the applicant may make of its registered word mark, including reproducing the word PIZZAIOLLE in a manner identical or very similar to the Graphic Mark PIZZAIOLO, that is to say, with the same style of lettering, the same oval design and the same GOURMET PIZZA description next to it, thus creating, along with the word mark, a likelihood of confusion.

[64] The respondent claims that the applicant gives *Masterpiece* far too great a scope. It is of the view that when it ruled that an owner of a registered word mark had the right to use the word or words "in any size and with any style of lettering, colour or design" (*Masterpiece*, above, at para 55), the Supreme Court did not go so far as to say that it allowed the owner to add words or

graphic elements to a registered mark. According to the respondent, the principle established at paragraph 55 of *Masterpiece* applies only to the colour and to the style of lettering of a trade-mark comprised solely of a word or words.

[65] The interpretation of this passage from *Masterpiece* favoured by the applicant, in particular the words “in any size ... or design”, would have the effect, according to the respondent, of expanding the monopoly granted by the registration of a word trade-mark well beyond what is provided for and permitted under the Act. Such an interpretation would also have the effect, warns the respondent, to allow the owner of a registered mark to successfully oppose the registration of a competing trade-mark associated with similar wares and services but using distinctive graphic elements, such as a tree or coat of arms, on the basis that the inclusion of such elements would be part of possible subsequent uses of the registered mark.

(4) Application of *Masterpiece* to the facts of this case

[66] In my opinion, *Masterpiece* required the Registrar to take into account possible future uses of the mark LA PIZZAIOLLE (or its variant PIZZAIOLLE), both with regard to Word Mark and that of the Graphic Mark, that the respondent is seeking to register. In doing so, the Registrar ought to have recognized that the applicant was authorized, based on the rights granted to it from the registration of its word mark LA PIZZAIOLLE to ultimately use the words LA PIZZAIOLLE or PIZZAIOLLE “in any size, and with any style of lettering, colour or design”, and, therefore, to depict these words in an identical or very similar to that of the Graphic Mark PIZZAIOLO, that is to say, with the same style and colour of lettering as well as the same background colour as that Graphic Mark.

[67] As the applicant pointed out, the Registrar acknowledged that the use of the word PIZZAIOLLE, in the form of the three distinct designs reproduced at paragraph 20 of these reasons, was an authorized use of the registered mark LA PIZZAIOLLE, and concluded that this was a contributing factor to the likelihood of confusion with the Word Mark PIZZAIOLO. Moreover, the respondent does not claim that the Registrar erred in arriving at that conclusion. I note in this regard that while one of the designs consists only of the stylized writing of the word PIZZAIOLLE, the other two contain additional elements, namely, in one case, a stylized design over which the word “PIZZAIOLLE” appears, and in the other, the word “RESTAURANTS” and the depiction of a tomato below the word “PIZZAIOLLE”.

[68] In my view, the Registrar ought to have engaged in a similar reflective exercise with regard to the Graphic Mark PIZZAIOLO and asked himself whether, in this specific case, the applicant, by a future use of its registered word mark, could, as it has previously done, represent or “dress up” so to speak, the word PIZZAIOLLE in a manner identical or very similar to that Graphic Mark. A reading of the Registrar’s decision shows that such a reflection was not carried out, even though the Registrar was aware that the word PIZZAIOLLE was – and had previously been – depicted in the form of special designs.

[69] The Registrar did in fact consider, as was indicated in *Masterpiece*, subsequent use the respondent may make of the Word Mark PIZZAIOLO. However, there is nothing in the law or the jurisprudence to indicate that this exercise should be limited to examining the issue of the likelihood of confusion between the Word Mark PIZZAIOLO and the applicant’s registered

word mark or that the exercise did not also apply, accordingly, to the issue of the likelihood of confusion with the Graphic Mark PIZZAIOLO.

[70] In this case, the Graphic Mark PIZZAIOLO is formed using the word PIZZAIOLO written on a green oval background, accompanied by the words “GOURMET PIZZA”. As was the case with the words “Living” and “Art of Living” in *Masterpiece*, the words “GOURMET PIZZA” are in no way “striking or unique” (*Masterpiece*, above, at paras 64 and 84). That, as the applicant pointed out, is a generic expression bereft of any distinctive character.

[71] The word PIZZAIOLO is therefore the dominant element of the Graphic Mark, hence the importance of including in the analysis of the likelihood of confusion the possible subsequent uses of the word PIZZAIOLLE, particularly in the context where the Word Mark PIZZAIOLO has been deemed to be likely to create confusion with the applicant’s registered word mark.

[72] Had this been done, the correct conclusion would have been that the applicant is authorized to represent its trade-mark in a manner identical or very similar to the respondent’s Graphic Mark, that is to say with the same style of lettering and the same background colour, thereby clearly giving rise, due to the resemblance between the words PIZZAIOLLE and PIZZAIOLO, to a likelihood of confusion between the marks in question.

[73] The Registrar determined that the respondent had discharged its burden of proof with regard to the Graphic Mark PIZZAIOLO “owing to the more pronounced differences” between this Graphic Mark and the Word Mark LA PIZZAIOLLE (or its variant PIZZAIOLLE), as

depicted in the designs reproduced at paragraph 20 of this judgment. However, in deciding in such a way, the Registrar clearly did not consider the different uses, in terms of the size and style of lettering, or colour and design, that the applicant could make of the word PIZZAIOLLE. As the Supreme Court noted in *Masterpiece*, “a subsequent use that is within the scope of a registration, and is the same or very similar to an existing mark will show how that registered mark may be used in a way that is confusing with an existing mark” (*Masterpiece*, above, at para 59).

[74] This is not a case of deciding whether the rights that the registration of the word mark LA PIZZAIOLLE confers upon the applicant authorizes it to add symbols or other distinctive designs to that mark. It is sufficient to determine whether the applicant is entitled to eventually use the word PIZZAIOLLE in a size, style of lettering, colour and design or graphic form that would render it the same or very similar to the Graphic Mark PIZZAIOLO. In light of *Masterpiece*, above, I find that it is so entitled and the addition of generic and non-distinctive words such as GOURMET PIZZA, is of no consequence, as were the additions of graphic forms it had previously used or that it currently uses to depict the word PIZZAIOLLE, on the lawfulness of that subsequent use.

[75] Thus, I have arrived at the conclusion that in neglecting this factor, the Registrar committed a determinative error which affects the reasonableness of his decision to dismiss the applicant’s ground of opposition based on the likelihood of confusion having regard to the application for registration of the Graphic Mark PIZZAIOLO.

[76] It strikes me as surprising that the likelihood of confusion between the Word Mark PIZZAIOLO and the applicant's registered word mark LA PIZZAIOLLE (or its variant PIZZAIOLLE) is taken as fact but that this is not extended to the Graphic Mark when the dominant element of that mark happens, in fact, to be the word PIZZAIOLO and when the applicant is authorized to the subsequent use of the word PIZZAIOLLE which would render its appearance identical or very similar to that of the Graphic Mark. This, at least is the kind of situation envisaged in *Masterpiece* when it is a matter of protecting rights granted by the registration of a trade-mark.

[77] It is difficult to imagine, in this context, that an ordinary consumer in a hurry, looking at the Graphic Mark PIZZAIOLO and the word PIZZAIOLLE depicted in a size and style of lettering as well as in colours similar to the Graphic Mark, would not have, as their first impression, that the wares and services associated with the marks were produced, sold or provided, as the case may be, by the same person.

[78] In short, this differentiation in the treatment of the issue as to the likelihood of confusion, and in particular the concept of subsequent use, of the two marks that the respondent seeks to register, has, in my view, caused a breakdown in the rationality of the Registrar's decision, thus placing it outside of the range of possible, acceptable outcomes which are defensible in respect of the facts and law.

[79] For all these reasons, the applicant's appeal is allowed and the Registrar's decision dismissing the applicant's opposition to the registration of the Graphic Mark is set aside, with costs in favour of the applicant.

JUDGMENT

THE COURT ORDERS AND ADJUDGES that:

1. The appeal is allowed.
2. The decision of the Registrar of Trade-marks, to the extent that it dismisses the applicant's opposition to the application for registration number 1,416,446 regarding the mark PIZZAIOLO and Design, is set aside.
3. With costs in favour of the applicant.

“René LeBlanc”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

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STYLE OF CAUSE: LES RESTAURANTS LA PIZZAIOLLE INC. v
PIZZAIOLO RESTAURANTS INC.

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