

Federal Court



Cour fédérale

Date: 20151015

Docket: T-874-14

Citation: 2015 FC 1170

Ottawa, Ontario, October 15 2015

PRESENT: The Honourable Mr. Justice Gascon

BETWEEN:

DISTRIBUTION PROSOL PS LTD

Applicant

and

CUSTOM BUILDING PRODUCTS LTD

Respondent

JUDGMENT AND REASONS

I. Overview

[1] The applicant Distribution Prosol PS Ltd [Prosol] is a flooring company specializing in the distribution and sale of floor-covering products and accessories in Canada. Prosol owns two registered trade-marks: *FUSION FORCE* (TMA 861 441) and *FUSION PATCH* (TMA 861 444)

[the Prosol Marks]¹. Prosol registered both word marks on September 27, 2013, in association with adhesives for flooring. Prosol also claims use of several common law trade-marks containing the word “Fusion”.

[1] The respondent Custom Building Products Ltd [Custom] specializes in tile and stone installation. Custom is the registered owner of a family of four Canadian trade-marks, all used in association with grout for flooring: *F FUSION PRO (DESIGN)* (TMA 862 881), *F FUSION PRO (DESIGN)* (TMA 862 888), *FUSION PRO (DESIGN)* (TMA 862 882), and *FUSION PRO* (TMA 862 887) [the Custom Marks or FUSION PRO Marks]. Custom registered these four trade-marks on October 18, 2013.

[2] In April 2014, Prosol brought this expungement proceeding under section 57 of the *Trade-marks Act*, RSC 1985, c T-13 [the Act]. Prosol claims that Custom’s use and registration of the FUSION PRO Marks threatens its statutory right to the exclusive use of its Prosol Marks because the concurrent use of these trade-marks in Canada would be likely to create confusion as to the source of the wares associated with the marks. Prosol therefore seeks to invalidate Custom’s FUSION PRO Marks and asks the Court for an order striking these trade-marks from the Register of Trade-marks [the Register] on grounds of confusion.

[3] The question in this case is whether the FUSION PRO Marks registered by Custom are confusing with the registered and unregistered trade-marks claimed to have been previously used

¹ Prosol also mentions a third trade-mark, *FUSION FLEX*, in its written submissions. However, Prosol did not refer to this mark in its Notice of Application, provided no evidence in relation to it and made no arguments on its basis. It is therefore not considered in the present judgment.

by Prosol in the flooring business. Prosol contends that the registrations of Custom's four trade-marks are invalid under two different sections of the Act. First, on the date of the registration of the Custom Marks on October 18, 2013, these trade-marks were confusing with Prosol's registered *FUSION FORCE* and *FUSION PATCH* trade-marks, and Custom was therefore not entitled, pursuant to paragraphs 12(1)(d) and 18(1)(a) of the Act, to apply for registration of its marks. Second, as of the date of filing of the Custom Marks on February 8, 2012, these trade-marks were confusing with Prosol's previously used common law trade-marks, under paragraphs 16(3)(a) and 18(1)(d) of the Act. Thus, Prosol argues, the registrations of the Custom Marks are invalid and should be expunged.

[4] The issues to be determined in this application are therefore as follows. They both revolve around the question of confusion.

- Were the Custom Marks confusing with Prosol's registered trade-marks at their date of registration such that they are not registrable under paragraph 12(1)(d) of the Act and their registrations are invalid pursuant to paragraph 18(1)(a) ?
- Were the Custom Marks confusing with Prosol's common law trade-marks at their date of filing such that Custom is not a person entitled to register the trade-marks under paragraph 16(3)(a) of the Act and the trade-marks' registrations are invalid pursuant to paragraph 18(1)(d) ?

[5] For the reasons that follow, I do not agree with Prosol that Custom was not entitled to register its FUSION PRO Marks. Having considered the evidence, all surrounding circumstances and the applicable law, I conclude that, on a balance of probabilities, none of the Custom Marks is likely to be confusing with the Prosol Marks or with Prosol's common law trade-marks.

Therefore, I will dismiss this application.

II. Background

A. *Facts*

[6] Prosol claims to have been using the word “Fusion” in association with the sale of adhesives for flooring, rubber carpet lining and building boards since April 2007. According to Prosol, its *FUSION FORCE* trade-mark has been used in Canada since April 1, 2007. Prosol applied for it on September 25, 2012 and registered this word mark on September 27, 2013. With respect to its *FUSION PATCH* trade-mark, it also claims use in Canada since April 1, 2007. Prosol applied for it on October 11, 2012 and registered the word mark on September 27, 2013.

[7] Prosol registered both trade-marks in association with wares described as “flooring products, namely adhesives”. More specifically, the *FUSION FORCE* trade-mark was registered with respect to “Produits de couvre-planchers. Nomément [sic] adhésifs”. For its part, the *FUSION PATCH* trade-mark was registered with respect to wares described as “Adhesives for floorcovering”. Prosol however alleges that it and its affiliates have also used both trade-marks in association with grouting for flooring.

[8] Prosol’s two trade-marks are identified only in their textual form and no trade-mark designs have been registered by Prosol. The words “Fusion Force” and “Fusion Patch” are not in stylized format and show both words in the same typeface size and style of lettering. The letters in both words are in heavy bold type and are capitalized. No specific colour or design is

mentioned in the registrations. As word marks, they provide a broad protection to Prosol and therefore permit Prosol to use those words in any size and with any style of lettering, colour or design. The Prosol Marks are registered as follows:

FUSION FORCE

FUSION PATCH

[9] Prosol also claims several common law trade-marks, allegedly used in association with adhesive products and grout for flooring. Prosol claims to have used these trade-marks since April 1, 2007. Prosol's common law word marks include:

- *Fusion Black* for rubber undercushions;
- *FUSION* in association with heavy duty surface shield;
- *Fusion Gold*;
- *Fusion* in association with superior adhesive products for outdoor carpeting;
- *Fusion* in association with contact cement;
- *Fusion* for polyurethane adhesive;
- *Fusion* in association with universal adhesive for flooring;
- *Fusion* in association with multi-use fusion force adhesive for flooring;
- *Fusion* in association with carpet grippers and wood flooring;
- *Fusion* in association with glue spreaders for flooring.

[10] Prosol has two affiliates, Durox and Golden, and all three entities are owned by the same parent company, Fasco Flooring Accessories System Group [Fasco].

[11] Turning to Custom, it has been selling grout in Canada since 1985 and claims use of its FUSION PRO Marks since August 10, 2012. It filed applications for all four trade-marks on February 8, 2012 and registered them on October 18, 2013. Customs registered its four FUSION PRO Marks in association with “grout used to install ceramic tile, stone and other resilient floors.”

[12] The Custom Marks consist of three word & design trade-marks and one word trade-mark. Two of the word & design trade-marks use a symbol and distinctive design showing intertwined F and P letters. The four Custom Marks are as follows:



FUSION
— PRO —



FUSION PRO

B. *Legislative Framework*

[13] Canada's trade-mark regime is set out in the Act. The Act gives the owner of a registered trade-mark the exclusive right to use the mark throughout Canada in respect of those wares and services referred to in the registration, unless the trade-mark is shown to be invalid (section 19 of the Act). A trade-mark may be a word mark consisting of only one word or a group of words, a design mark, or a word & design mark comprised of a word or group of words accompanied by a design.

[14] In order to protect the exclusive right granted to trade-mark owners and to make it effective, the Act provides that there cannot be confusion between one trade-mark and any other trade-mark anywhere in Canada (*Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 [*Masterpiece*] at paras 31 and 33). The Act contains several provisions establishing the grounds and procedural mechanisms through which trade-marks can be registered and trade-mark owners can challenge the validity of competing trade-marks. In the current case, the relevant provisions are found at sections 6, 12, 16, 18, 50 and 57 of the Act.

[15] Section 6 deals with the concept of "confusion" between two trade-marks. Its subsection 2 defines the concept whereas subsection 5 sets out the criteria to be considered by the Court on an examination of the likelihood of confusion. The relevant portions of section 6 read as follows:

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.

(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.

[...]

(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. (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.

(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 sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces produits ou ces services soient ou non de la même catégorie générale.

[...]

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

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

[16] Sections 12, 16 and 18 of the Act contain various provisions determining when a trade-mark is registrable and situations where the registration of a trade-mark is invalid. The relevant portions read as follows:

- | | |
|---|---|
| 12. (1) Subject to section 13, a trade-mark is registrable if it is not | 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) confusing with a registered trade-mark; | d) elle crée de la confusion avec une marque de commerce déposée; |
| [...] | [...] |

16. (3) Any applicant who has filed an application in accordance with section 30 for registration of a proposed trade-mark that is registrable is entitled, subject to sections 38 and 40, to secure its registration in respect of the goods or services specified in the application, unless at the date of filing of the application it was confusing with

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

[...]

18. (1) The registration of a trade-mark is invalid if

(a) the trade-mark was not registrable at the date of registration;

(b) the trade-mark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced;

[...]

(d) subject to section 17, the applicant for registration was not the person entitled to secure the registration.

16. (3) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce projetée et enregistrable, a droit, sous réserve des articles 38 et 40, d'en obtenir l'enregistrement à l'égard des produits ou services spécifiés dans la demande, à moins que, à la date de production de la demande, elle n'ait créé de la confusion :

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

[...]

18. (1) L'enregistrement d'une marque de commerce est invalide dans les cas suivants :

a) la marque de commerce n'était pas enregistrable à la date de l'enregistrement;

b) la marque de commerce n'est pas distinctive à l'époque où sont entamées les procédures contestant la validité de l'enregistrement;

[...]

d) sous réserve de l'article 17, l'auteur de la demande n'était pas la personne ayant droit d'obtenir l'enregistrement.

[17] It should be observed that, when assessing whether a trade-mark is registrable under section 12 or determining trade-mark entitlement under section 16, the test for likelihood of confusion is the same.

[18] Section 50 contains the provisions regarding the licensing of a registered trade-mark. It provides that:

50. (1) For the purposes of this Act, if an entity is licensed by or with the authority of the owner of a trade-mark to use the trade-mark in a country and the owner has, under the licence, direct or indirect control of the character or quality of the goods or services, then the use, advertisement or display of the trade-mark in that country as or in a trade-mark, trade-name or otherwise by that entity has, and is deemed always to have had, the same effect as such a use, advertisement or display of the trade-mark in that country by the owner.

50. (1) Pour l'application de la présente loi, si une licence d'emploi d'une marque de commerce est octroyée, pour un pays, à une entité par le propriétaire de la marque, ou avec son autorisation, et que celui-ci, aux termes de la licence, contrôle, directement ou indirectement, les caractéristiques ou la qualité des produits et services, l'emploi, la publicité ou l'exposition de la marque, dans ce pays, par cette entité comme marque de commerce, nom commercial — ou partie de ceux-ci — ou autrement ont le même effet et sont réputés avoir toujours eu le même effet que s'il s'agissait de ceux du propriétaire.

[19] Finally, section 57 gives the Federal Court the exclusive original jurisdiction to consider applications to strike or amend entries in the Register. It reads as follows:

57. (1) The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.

(2) No person is entitled to institute under this section any proceeding calling into question any decision given by the Registrar of which that person had express notice and from which he had a right to appeal.

57. (1) La Cour fédérale a une compétence initiale exclusive, sur demande du registraire ou de toute personne intéressée, pour ordonner qu'une inscription dans le registre soit biffée ou modifiée, parce que, à la date de cette demande, l'inscription figurant au registre n'exprime ou ne définit pas exactement les droits existants de la personne paraissant être le propriétaire inscrit de la marque.

(2) Personne n'a le droit d'intenter, en vertu du présent article, des procédures mettant en question une décision rendue par le registraire, de laquelle cette personne avait reçu un avis formel et dont elle avait le droit d'interjeter appel.

C. *Issue of Distinctiveness*

[20] In addition to its arguments on confusion, Prosol also raised the issue of distinctiveness under section 2 and paragraph 18(1)(b) of the Act in its written representations. Prosol submitted that, pursuant to paragraph 18(1)(b), Custom's FUSION PRO Marks were not distinctive at the time proceedings bringing the validity of their registrations into question were commenced and that, as such, these registrations are invalid and should be expunged.

[21] However, this issue was not a ground referred to in Prosol's Notice of Application. In response, Custom argues that Prosol should not be allowed to raise it before this Court since the Notice of Application only asserted one ground of invalidity, namely confusion, arising from two

different sections of the Act (paragraphs 12(1)(d) and 16(3)(a)). It was only in Prosol's written representations that the issue of distinctiveness suddenly appeared. Moreover, during cross-examination of Prosol's representative, Mr. Contant, counsel for Custom asked exhaustive questions to ensure that Custom was aware of each of the grounds asserted in Prosol's Notice of Application. The ground of distinctiveness was specifically not raised on that occasion.

[22] I agree with Custom that, in these circumstances, the issue of distinctiveness cannot be raised by Prosol before this Court. At the oral hearing before the Court, counsel for Prosol indeed acknowledged that and did not press the issue.

[23] Under Rule 301(e) of the *Federal Court Rules*, a Notice of Application must contain a complete and concise statement of the grounds intended to be argued, including references to any statutory provision or rule to be relied on. As established in *Astrazenca AB v Apotex Inc*, 2006 FC 7 at para 18, the requirements of Rule 301(e) are not mere technical requirements, and they must be followed. I adopt the comments made by Justice de Montigny in *Bees v Canada (Attorney General)*, 2014 FC 131, where he stated: "the purpose of [...] Rule [301(e)] is to ensure that a respondent has the opportunity to address the grounds for review in its affidavit and to ensure that no party is taken by surprise. Where an applicant has contravened Rule 301(e), the Court may refuse to allow the advancement of an argument not provided in the notice of application" (at para 28).

[24] As there was no prior warning of this argument given to Custom, I find that Prosol is barred from arguing distinctiveness in support of its application for expungement before this Court.

III. Analysis

[25] Prosol raises two issues in this application: (i) whether the Custom Marks are confusing with Prosol's registered *FUSION FORCE* and *FUSION PATCH* trade-marks at their date of registration such that they are not registrable under paragraph 12(1)(d) of the Act and their registrations are invalid pursuant to paragraph 18(1)(a); and (ii) whether the Custom Marks are confusing with Prosol's common law trade-marks at their date of filing such that Custom is not the person entitled to register the trade-marks under paragraph 16(3)(a) of the Act and the trade-marks' registrations are invalid pursuant to paragraph 18(1)(d).

[26] On both issues, the determinative question at the centre of this case is whether there was confusion between Prosol's and Custom's trade-marks pursuant to section 6 of the Act. The analysis to be conducted is the same. Indeed, as stated by this Court in *Mövenpick Holding AG v Exxon Mobil Corporation*, 2011 FC 1397 [*Mövenpick*], "the test for confusion, no matter the form of the dispute, is set out in section 6 of the Act" (at para 40).

A. *Legal Test*

[27] It is well established that registered trade-marks enjoy a presumption of validity and that the onus rests on the party seeking expungement to satisfy the Court, on a balance of

probabilities, that the trade-marks are invalid and that the entry should be expunged from the Register (*Remo Imports Ltd v Jaguar Cars Ltd*, 2007 FCA 258 at paras 23, 26; *General Motors of Canada v Décarie Motors Inc*, [2001] 1 FC 665 (FCA) at para 31). Here, Prosol thus bears the burden of displacing the presumption that Custom's registration of the FUSION PRO Marks are valid by proving that it used its Prosol Marks and common law trade-marks prior to the filing of Custom's applications, and that there was a likelihood of confusion between its previously used and registered trade-marks and Custom's FUSION PRO Marks.

[28] To determine whether trade-marks are confusing, the Court must assess, pursuant to subsection 6(2) of the Act, whether "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." As outlined by the Supreme Court in *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltee*, 2006 SCC 23 [*Veuve Clicquot*] at para 20, and restated in *Masterpiece* at para 40, the test for confusion is "a matter of first impression in the mind of a casual consumer somewhat in a hurry who sees the [mark], at a time when he or she has no more than an imperfect recollection of the [prior] trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the mark." Would such consumer be likely to think that the trade-marks originate from the same source? In order to determine whether confusion is likely to exist between two trade-marks, this first impression test thus requires an overall examination of the trade-marks at stake, rather than a close scrutiny of the marks.

[29] In *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 [*Mattel*] at para 56, Justice Binnie further noted that this consumer must be given some credit to exercise care in different circumstances, being neither a “moron in a hurry” nor a careful and diligent purchaser. Additionally, he or she will be the type of person likely to purchase the wares in question (*Baylor University v Governor and Co of Adventurers Trading into Hudson's Bay* (2000), 8 CPR (4th) 64 (FCA) [*Baylor*] at para 27; *TLG Canada Corp v Product Source International LLC*, 2014 FC 924 [*TLG Canada*] at para 51).

[30] Subsection 6(5) directs that, in determining whether confusion exists, regard shall be given to “all the surrounding circumstances,” including but not limited to the five circumstances expressly enumerated in the provision. These criteria against which the Court shall consider the issue of confusion are: (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 goods, services or business; (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.

[31] As emphasized by the Supreme Court, this list of circumstances is not exhaustive and different circumstances will be given different weight in a context-specific assessment (*Veuve Clicquot* at para 27; *Mattel* at para 73). Furthermore, each trade-mark is to be considered separately (*Masterpiece* at paras 47-48; *Constellation Brands Inc v Domaines Pinnacle Inc*, 2015 FC 1083 at paras 37-43).

[32] Prosol contends that it has met its burden of showing that it used its *FUSION FORCE* and *FUSION PATCH* trade-marks and its common law trade-marks prior to any relevant date claimed by Custom (the earliest of which is February 8, 2012). There is some evidence that Prosol has used its *FUSION FORCE* trade-mark from 2009 onward, prior to the date of registration of Custom's FUSION PRO Marks. I note however that there is no evidence on the record of the use of the *FUSION PATCH* trade-mark without the word "Extreme" attached to it. Throughout Prosol's flyer advertisement and sales records, the product offered is referred to as "FUSION PATCH EXTREME". That said, given my conclusion on the issue of confusion, I do not need to expand further on the question of use as the absence of likelihood of confusion is sufficient to dismiss Prosol's application.

B. *Are Custom's FUSION PRO Marks Confusing with Prosol's Trade-marks?*

[33] Prosol claims that the "surrounding circumstances" referred to in subsection 6(5) of the Act favour its registered and common law trade-marks and that, overall, Custom's FUSION PRO Marks are likely to be confusing with its own trade-marks.

[34] I disagree. For the following reasons, I instead conclude that there is no strong similarity between the parties' trade-marks and no likelihood of confusion. I find that, in light of the evidence before me, a consumer in a hurry with an imperfect recollection of the Prosol Marks would not be likely to believe that the wares associated with the Custom Marks were produced, sold, provided or originated from the same source as the Prosol Marks.

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

[35] The first element described at subsection 6(5) is the inherent distinctiveness of the parties' trade-marks and the extent to which they have become known. On this issue, Prosol argues that, while its two registered trade-marks may not be inherently distinctive, the *FUSION FORCE* and *FUSION PATCH* trade-marks have become well known to the Canadian public through an alleged continuous use in the market since April 2007. According to Prosol, use of the trade-marks occurred through the sale, offers of sale, advertisement, shipping and delivery of the products with which the trade-marks are associated. In support of its position, Prosol relied on two elements: i) the sales figures from 2009 to 2014 for its *FUSION PATCH* and *FUSION FORCE* trade-marks and other "Fusion" products, in terms of the number of units sold and the revenues generated by the various trade-marks and products; and ii) examples of flyers from its advertisement campaigns undertaken in Canada to promote and sell the products. Prosol further contends that it advertised the trade-marks in Canadian newspapers.

[36] Inherent distinctiveness depends on whether a trade-mark is an everyday word or a non-descriptive, invented word (*TLG Canada* at para 59; *Mattel* at para 75). Where a trade-mark is a unique or created name, such that it refers to only one thing, it will be inherently distinctive and given a large scope of protection (*Tommy Hilfiger Licensing Inc v Produits de Qualité IMD Inc*, 2005 FC 10 [*Tommy Hilfiger*] at para 53). On the other hand, where a trade-mark refers to many things or is only descriptive of goods or their geographic region, it will not be considered inherently distinctive and accordingly, will be given less protection (*TLG Canada* at paras 59 and 60). Nevertheless, distinctiveness can also be acquired through continual use in the

marketplace (*Tommy Hilfiger* at para 53). In order to establish that distinctiveness has been acquired, it must be shown that the trade-mark has become known to consumers as originating from one particular source.

[37] In determining distinctiveness, the best approach is to determine whether an aspect of the trade-mark is striking or unique (*Masterpiece* at para 64; *McCallum Industries Limited v HJ Heinz Company Australia Ltd.*, 2011 FC 1216 [*McCallum*] at para 37). Finally, where third-party trade-marks also use a given term, less proprietary significance will be attached to it (*McCallum* at para 37; *Molnlycke Aktiebolag v Kimberly-Clark of Canada Ltd* (1982), 61 CPR (2d) 42 (FC)).

[38] Prosol has not convinced me that, on a balance of probabilities, its trade-marks meet the requirements of inherent distinctiveness; in addition, I find that the available evidence on the extent to which Prosol's trade-marks have become known in Canada and have acquired distinctiveness is at best very thin.

(a) *Low inherent distinctiveness*

[39] Prosol's trade-marks are not particularly distinctive. They are all dominated by the word "Fusion" which is a fairly common noun, associated with the idea of bonding and joining two elements.

[40] I agree with Custom that the Prosol Marks lack inherent distinctiveness as the word "Fusion" used in their descriptions echo the usual meaning of the word, namely "the process or result of joining two or more things together to form a single entity." Prosol has admitted that it

chose this word as part of its trade-marks in association with adhesives specifically because adhesive products allow for fusion of the floor to the floor coverings. As such, Prosol's trade-marks express the result of using the wares, are highly suggestive and accordingly, they are inherently weak. The word "Fusion" is not enough to make the trade-marks distinctive.

[41] Trade-marks will be considered "suggestive" where they describe the inherent "character or quality of the wares or services" or are "suggestive of a characteristic of [the] product" with which they are associated (Roger T Hughes and Toni Polso Ashton, *Halsbury's Laws of Canada – Trademarks, Passing Off and Unfair Competition (2012 Reissue)*, HTM-41; *Ottawa Athletic Club Inc. (cob. Ottawa Athletic Club) v Athletic Club Group Inc*, 2014 FC 672 [*Ottawa Athletic*] at paras 63 and 187; *Weetabix of Canada Ltd v Kellogg Canada Inc*, 2002 FCT 724 [*Weetabix*] at para 38). Suggestive trade-marks, unlike clearly descriptive marks, are registrable under the Act (*Mövenpick* at paras 28-29); but they are considered as inherently weak. Indeed, as noted by Justice Blais in *Weetabix*, "it is trite law that common words which are descriptive or suggestive of a characteristic of a product have little inherent distinctiveness" (at para 38). This is in contrast to "strong marks, such as invented words, [which] are generally considered to be more inherently distinctive than the weak type of mark incorporating a word or words that are commonly used or are generally words of a descriptive or suggestive character" (*Joseph E Seagram & Sons Ltd v Canada (Registrar of Trade Marks)* (1990), 38 FTR 96 [*Seagram*]); *Canadian Tire Corp v Accessoires d'autos Nordiques Inc*, 2006 FC 1431 [*Canadian Tire*] at para 16; *London Drugs Ltd v International Clothiers Inc*, 2014 FC 223 at paras 62 and 65).

[42] In the current case, the word “Fusion” as used by Prosol is highly suggestive of the quality and attributes of Prosol’s products and it is therefore inherently weak. As was the case in *Budget Blind Service Ltd. v Budget Blinds Inc.*, 2007 FC 801 [*Budget Blind*], the Prosol Marks use an ordinary and suggestive dictionary word, which points towards a low degree of distinctiveness (at para 20). Small differences will therefore be sufficient to distinguish such trade-marks.

[43] When a trade-mark is highly suggestive, it can live with other owners of the mark. And this has indeed been the case for marks bearing the word “Fusion”, as the Prosol Marks have coexisted with numerous other trade-marks using that word in the flooring business. The evidence on the record shows that multiple third parties use the word “Fusion” in the flooring business in Canada, in association with various flooring products such as ceramic, stone and hardwood, and in association with bonding and adhesives. The numerous examples of trade-marks owned by other entities and having used or incorporated the word “Fusion” for a period of several years include “Fusion Collection”, “Fuzion Flooring”, “Fusion”, “Fusion Series (Parabond)”, “Fusionlock”, “Forestfusion” and others. Prosol’s representative, Mr. Contant, has more specifically admitted to be aware of the products sold by FUSION SERIES (Parabond) and FUSION COLLECTION in Western Canada. This evidence undermines Prosol’s claim of acquired distinctiveness.

[44] When multiple parties use the same word in the same business space, no single party can assert that their particular trade-mark stands out because of its use of that word. In such cases, the asserted trade-mark loses distinctiveness as it no longer distinguishes the goods of the trade-

mark owner from the goods of others. As stated in *Molson Co. v John Labatt Ltd.* (1994), 88 FTR 16 (FCA) [*Molson*], it is a well-recognized principle that, in considering the possibility of confusion between two trade-marks, the fact that “two marks contain a common element that is also contained in a number of other marks used in the same market, such a common occurrence in the market tend to cause purchasers to pay more attention to the other non-common features of the respective marks and to distinguish between them by those other features” (at para 8).

[45] Prosol has also admitted that the word “Fusion” is always used in connection with something else in its composite trade-marks and that it did not use the word “Fusion” separately and on its own.

(b) *Limited evidence of the extent to which the trade-marks are known*

[46] Prosol relies on the sales figures of its “Fusion” products and on its advertisements and promotion materials in order to establish that its Prosol Marks have become known in the Canadian market and have acquired distinctiveness. Invoices and promotional documents can indeed show frequent use of a product, increasing the likelihood of public recognition of it. However, on both fronts, I find that the evidence submitted by Prosol in support of its arguments is not convincing.

[47] With respect to the alleged sales of Prosol’s products, the evidence demonstrates that the figures provided by Prosol are highly problematic. The figures were provided through the affidavit of Mr. Contant, who admitted in his cross-examination that he had no personal knowledge of the source of the information and that he had verified none of the numbers.

Furthermore, in his cross-examination, Mr. Contant acknowledged that others within Prosol were better qualified to speak to these figures. As these sales figures were beyond Mr. Contant's personal knowledge, they constitute hearsay evidence.

[48] Rule 81 of the *Federal Court Rules* establishes the general requirement that affidavits be confined to the personal knowledge of the deponent. This does not necessarily exclude hearsay evidence as the Courts have developed a principled approach to the admissibility of hearsay given by way of affidavits (*Ethier v Canada (RCMP Commissioner)*, [1993] 2 FC 659 (CA)). However, Rule 81(2) provides that an adverse inference may be drawn from the failure of a party to provide evidence of persons having personal knowledge of material facts, when better evidence can be available through other persons or sources (*Ottawa Athletic* at para 119).

[49] While the Court can accept Mr. Contant's affidavit and deem it admissible pursuant to Rule 81 of the *Federal Court Rules*, I can only give very limited weight to it for the following reasons.

[50] As argued by Custom, there are several concerns with respect to the reliability of Mr. Contant's affidavit and the accuracy of the sales figures provided in it. First, there were material differences between the two versions of Mr. Contant's affidavit forming part of the record, and Mr. Contant was unable to explain these differences or reconcile the discrepancies between these two versions. The alleged sales figures and units sold simply did not match up in his two affidavits. Furthermore, Mr. Contant could not explain the source of the detailed financial information contained in Annex A to his affidavits. This Annex A purported to provide the

detailed yearly sales figures of Prosol since 2008, by specific product, but Mr. Contant was unable to properly explain how the various elements contained in the table were arrived at, both in terms of units sold and value, and the differences between the Annex and the contents of his affidavits.

[51] Mr. Contant admitted he had no idea where some information was coming from. He did not know if the numbers provided were correct or not, and which numbers among those provided were the valid ones, in light of the contradictions between the various figures. Even the figures for the "Fusion 55" product, which were the only ones identical in his two affidavits, were not the right figures. Mr. Contant's testimony under cross-examination further revealed that he verified only some of the figures and that he could not explain the discrepancies.

[52] A review of the evidence thus leads me to conclude that the sales numbers submitted by Prosol were plagued with problems, inexplicably failing to match up with the figures provided in Mr. Contant's formerly sworn affidavit as well as the alleged source of the information. The figures were also inaccurate, being the total numbers of all the different brands and products of Prosol and not just for the *FUSION FORCE* and *FUSION PATCH* trade-marks. It is therefore not possible to know the exact volume and value of sales claimed by Prosol to support the alleged use of the trade-marks. I can only conclude that Mr. Contant's evidence is riddled with inconsistencies, with the numbers on one side of his Annex A conflicting with those on the other side, making it impossible to know which values are the accurate ones.

[53] Moreover, with respect to advertising, I note that Prosol has filed no evidence supporting the use of its trade-marks in any newspaper advertisements. In addition, the evidence produced by Prosol in relation to its promotional campaigns and flyers contains no examples after October 2010, suggesting that the use of the trade-marks may have been minimal or discontinued since that date. Nor is there evidence on the flyers' distribution figures or on where those flyers were effectively circulated. In his cross-examination, Mr. Contant had provided an undertaking to supply the yearly mailing lists for the distribution of Prosol's flyers since 2007, but this undertaking was never fulfilled despite requests by counsel for Custom. There is therefore no evidence regarding the areas or customers to whom these flyers were distributed by Prosol.

[54] In light of the foregoing, and the little weight that I can give to Mr. Contant's affidavit, I conclude that Prosol's evidence regarding the extent to which its *FUSION FORCE* and *FUSION PATCH* trade-marks or its alleged common law trade-marks have become known in Canada is at best very thin, and is not sufficient to support a likelihood of confusion.

[55] Finally, to the extent that Prosol claims any use of the registered trade-marks by its affiliates Durox and Golden under subsection 50(1) of the Act, I agree with Custom that it cannot do so as it has failed to satisfy either of that section's requirements. That is, there is no evidence that licenses are in place between Prosol and its affiliates and that Prosol has direct or indirect control over the character or quality of the goods or services using the marks. Common control between companies through parent companies – in this case, Fasco – is insufficient to demonstrate control (*Sobeys Capital Incorporated v EDENRED*, 2012 TMOB 86 at paras 30-32s; *Cheung Kong (Holdings) Ltd v Living Realty Inc*, [2000] 2 FC 501 at paras 44-46). In fact,

as submitted by Custom, this uncontrolled use of the “Fusion” trade-marks by Prosol’s affiliates has arguably diminished the marks’ alleged distinctiveness.

[56] Conversely, I find that Custom’s FUSION PRO Marks are inherently stronger than the Prosol Marks since the word “Fusion” as used by Custom relates to grouting, which has no adhesive or “joining” properties. Additionally, the Custom Marks have become known, with Canadian sales reaching almost \$1 million in 2013 and were due to surpass that amount in 2014. This evidence was not contradicted. The evidence also shows that Custom has advertised its products using the trade-marks in magazines in Canada in 2013 and 2014.

[57] In light of the foregoing findings of fact (and more specifically the lack of inherent distinctiveness, third-party use of trade-marks incorporating the word “Fusion” and unreliable evidence of acquired distinctiveness for the Prosol Marks), I conclude that Prosol has not demonstrated that, on a balance of probabilities, its trade-marks had inherent distinctiveness or had been known in Canada to any material extent.

(2) The length of time the trade-marks or trade-names have been in use

[58] The second surrounding circumstance to take into account when determining confusion is the length of time the parties’ trade-marks have been in use. Not only does length of time contribute to showing the acquisition of distinctiveness, but as Justice Pinard pointed out in *McCallum*, “the longer trade-marks have co-existed without actual confusion, the harder it will be for the applicant to prove a likelihood of confusion” (at para 41).

[59] In the present case, Prosol submits that its registered and common law trade-marks have been in continuous use since April 1, 2007, which would be well before the first use of Custom's marks in August 2012. The record however does not support such an early use of the Prosol Marks, as no reliable evidence was filed by Prosol on the use of the Prosol Marks or common law trade-marks before 2009. That said, there is available evidence showing that the use of the trade-marks by Prosol nonetheless predates Custom's first claimed use of the FUSION PRO Marks in August 2012. Overall, given that the amount of time at issue is relatively short, this factor carries only minor importance.

(3) The nature of the goods, services or business

[60] The next surrounding circumstance to consider is the nature of the goods associated with the parties' trade-marks. The more similar the nature, the greater the likelihood of confusion (*McCallum* at para 42; *United States Polo Assn v Polo Ralph Lauren Corp.* (2000), 9 CPR (4th) 51 [*United States Polo*] at para 18). Conversely, the more significant the difference, the lesser the risk (*Société anonyme des bains de mer et du cercle des étrangers à Monaco, Société anonyme v Monte Carlo Holdings Corp.*, 2012 FC 1528 at para 54).

[61] Prosol claims that the nature of the wares is the same, with both parties selling products to help install flooring using adhesives and/or grout.

[62] I disagree. Contrary to the situation in *Masterpiece*, this is not a case where the wares offered by the parties are essentially and primarily the same. The Prosol Marks have been registered for "adhesives for floorcovering", whereas the Custom Marks were registered for

wares described as “grout used to install ceramic tile, stone and other resilient floors”. This circumstance is another element reducing the likelihood of confusion to the point that confusion is not likely to occur between the Prosol Marks and the Custom Marks. It suggests that the potential for confusion is low.

[63] I agree with Custom that there are fundamental differences between the goods of both parties even though they form part of the same family of flooring products. The evidence confirms that there are important distinctions between adhesives and grout. Adhesives join supports to floor coverings whereas grout is a finishing product for tile and stone surfaces. Grout is not a flooring adhesive: its purpose is not to join two elements together and it has no bonding properties. Grout is instead a finishing product to fill the gaps and protect the tile or stone, and contributes to the aesthetic look of a floor. The grout products listed and sold by Custom are indeed often distinguished by the colour of their finish.

[64] Furthermore, Prosol’s *FUSION FORCE* and *FUSION PATCH* trade-marks have not been used in association with grout (or “coulis” in French). Prosol does not use a trade-mark with the word “Fusion” in association with grout. By comparison, the only product sold by Custom under its FUSION PRO Marks is grout, in a wide range of different colors.

[65] As such, the grout products used in association with the Custom Marks are sufficiently different from the products used in association with the Prosol Marks, which are adhesives. Indeed, *FUSION FORCE* is described in Prosol’s advertising materials as a “multipurpose adhesive” for flooring installation, with adhesive properties making it “equally suitable for both

sheet goods and carpets”. Prosol indicates that its uses are as follows: “To install mineral and felt-backed vinyl sheet goods. To install carpet with backing such as jute, polypropylene (ActionBac®), latex-foam and sponge-rubber backings; and residential mineral fibrous felt-backed vinyl sheet goods.” Similarly, turning to the *FUSION PATCH* trade-mark, Prosol’s “Fusion Patch Extreme” is described in Prosol’s promotional materials as a “universal polymer modified rapid-set patching compound, designed for patching holes, cracks, voids, depressions and other irregularities”. It is said to be “compatible with all types of floor covering adhesives”. The advertising documents further mention that “[t]his smooth finish mortar is specially designed to prepare interior plywood or concrete floors before installation of floor coverings like carpet, vinyl, composite tile, ceramic and hardwood.”

[66] Stated otherwise, I am satisfied that the wares associated with each of the Prosol Marks and the Custom Marks are not products used with the same purpose. I conclude that the parties’ wares are not related in such a way that, assuming a customer would see the Custom’s and Prosol’s trade-marks in the same channels of trade, this customer would think that the source of the products is the same, or that there is a connection or association between the parties.

[67] When assessing the “nature of goods, services or business” factor under paragraph 6(5)(c), the Courts will usually begin by looking at the registrations for the trade-marks and determining whether any overlap exists in the descriptions of the wares (*JC Penney Co v Gaberdine Clothing Co*, 2001 FCT 1333 [*JC Penney*]; *Tommy Hilfiger* at para 53). In this case, there is no such overlap. Prosol’s registered marks are for use in association with “adhesives for floor coverings” or “produits de couvre-plancher, nommément adhésifs,” while Custom’s

products are for use with “grout used to install ceramic tile, stone and other resilient surfaces”.

Where there is no direct overlap (or when dealing with common law marks), the Courts will consider the type of items covered by the trade-marks, usually in terms of their general class. In *United Artists Corp v Pink Panther Beauty Corp* (1998), 80 CPR (3d) 247 (FCA) [*Pink Panther*], the Federal Court of Appeal discussed the “general class of goods,” using as examples “household products” and “automotive products” (at paras 26, 30).

[68] In the current case, the wares covered by the Prosol Marks are adhesives and not grout. Adhesives and grout may be in the same general category of goods, both being associated with flooring and surface installation, but the two products are distinct, and certainly not identical to a level where the trade-marks would increase the likelihood of confusion.

(4) The nature of the trade

[69] The fourth surrounding circumstance is the nature of the trade. It refers to the type of consumers targeted by the parties and the kind of stores in which the products associated with their trade-marks would be found (*McCallum* at para 43; *Ciba-Geigy Canada Ltd v Apotex Inc* (1992), 44 CPR (3d) 289). Again, the greater the similarity between the natures of the parties’ trades, the higher the risk of confusion. The issue of confusion arising from the sale of wares under competing trade-marks must be determined by reference to those persons who are likely to purchase those wares (*Baylor* at para 27).

[70] In assessing the nature of the trade, the proper emphasis is on the parties’ entitlement to sell the products through a given channel rather than whether they in fact do so (*Masterpiece* at

para 59; *Pink Panther* at para 32). That said, Courts should look at the party's actual trade as a basis for determining the likelihood of the parties ever overlapping (*Alticor Inc. v Nutravite Pharmaceuticals Inc*, 2005 FCA 269 at para. 37; *Tradition Fine Foods Ltd v Oshawa Group Ltd*, 2005 FCA 342 at para 11).

[71] The consumer's character is also a consideration under the "nature of the trade" covered by paragraph 6(5)(d). As noted by the Supreme Court in *Mattel*, "the nature and kind of customer who would be likely to buy the respective wares and services has long been considered a relevant circumstance" (at para 86). A finding that consumers are professionals or sophisticated will point away from confusion. Sophisticated or specialized buyers are much less likely to be confused irrespective of the asserted recognition of a mark (*Baylor* at para 27). Indeed, in *Pink Panther* at para 31, the Federal Court of Appeal explicitly states that "a professional consumer purchasing at the wholesale level is less likely to be confused than a casual shopper in a retail setting". In *Canada Wire & Cable Ltd v Heatex Howden Inc*, (1986), 13 CPR (3d) 183 (FCTD), the Court took into account that the consumers of the products under consideration were "in the great majority, industrial users... imply[ing] from that that they are somewhat knowledgeable when they are going into the market for the acquisition of materials" (at p. 187). Nevertheless, the confusion test itself – of the first impressions of a casual consumer in a hurry with an imperfect recollection – remains the same.

[72] In this case, Prosol argues that the parties share the same trade, both selling their products at big box stores and other retailers and targeting the same clientele, including contractors, floor installers and individual consumers. I disagree as there is limited evidence supporting Prosol's

claims. I instead find that, in view of the evidence and on a balance of probabilities, the two parties do not target primarily the same types of customers and do not operate at the same trade level. The parties' customers and trade levels rather appear to be quite different. Custom's products are largely found at Home Depot locations and other stores serving the home consumer. Conversely, Prosol's products are targeting the traders and floor installers. Mr. Contant indeed confirmed that Prosol does not service the Home Depot stores. Moreover, in cross-examination, Mr. Contant confirmed that Prosol's focus was on the traders and not the general public or home consumers, which are Custom's main targets.

[73] Prosol was provided a complete list of the Canadian customers of Custom and was asked if Prosol sold to any entity on that list. Once again, Mr. Contant provided an undertaking to that effect in his cross-examination but no response was ever given to Custom. The only confirmation was that Prosol did not sell its products to Home Depot, where Custom makes most of its sales. In light of the evidence on the record, I am satisfied that the parties do not target the same customers and do not sell to vendors located at the same trade level.

[74] I am mindful of the fact that, in his cross-examination, Mr. Contant indicated that Prosol became aware of Custom once Custom's products started appearing in Home Depot stores, indicating that the parties may be interested in the same kinds of retailers selling surface installation products, and that there may be potential overlap. Mr. Contant also mentioned that while Prosol may largely target contractors or others in the trade, it also sells its products to some retailers whose clients sometimes include individual consumers. However, further to a complete review of the evidence, I find that the nature of Prosol's and Custom's trade is in fact different as

they do not operate at the same trade level. Prosol targets and sells its products to traders and floor installers as opposed to end-users and the general public, and the evidence does not support that it uses the same channels of distribution as Custom.

[75] The Supreme Court has established that the section 6(5) factors are to be considered in context and that different circumstances will be given different weight (*Veuve Clicquot* at para 21). The trading environment – that is, whether the wares are sold at the retail or wholesale level – is one consideration under the “nature of the trade” factor (*Pink Panther* at para 31; *JC Penny* at para 114). In the circumstances, I conclude that the differences in the nature of the trade addressed by each of the Prosol Marks and the Custom Marks do not support a likelihood of confusion.

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

[76] The final enumerated factor for the Court to consider is the degree of resemblance between the trade-marks with respect to appearance, sound or the ideas they suggest. Case law has established that, while it is the last factor listed in subsection 6(5), this is generally the most important surrounding circumstance in the confusion analysis (*Masterpiece* at para 49; *TLG Canada* at para 58; *McCallum* at para 44; *Canadian Tire* at para 32). The other factors listed in subsection 6(5) become more significant once the trade-marks are found to be identical or very similar.

[77] Resemblance is the quality of being either like or similar (*Masterpiece* at para 62). In considering the degree of resemblance, the Court must compare the trade-marks in their totalities, not dissecting them into their constituent elements or laying them side by side to compare and observe similarities or differences among these elements (*McCallum* at paras 33 and 44, *United States Polo* at para 18, *Café Cimo Inc v Abruzzo Italian Imports Inc*, 2014 FC 810 at para 34). It is also important to take care to consider each of the Prosol Marks and Custom Marks since even one confusingly similar trade-mark will suffice to invalidate Custom's registrations (*Masterpiece* at paras 42-48).

[78] The resemblance between two trade-marks is approached by considering those characteristics that define the relevant trade-marks, as only those elements "will allow consumers to distinguish between the two trade-marks" (*Masterpiece* at para 61). In this case, since the Custom Marks are only made of the words "Fusion Pro" and their accompanying design, the difference or similarity with each of Prosol's *FUSION FORCE* and *FUSION PATCH* trade-marks and common law marks must be assessed on the basis of these words.

[79] As the FUSION PRO word mark is the closest to the Prosol trade-marks, the comparison between the Prosol trade-marks and this Custom's word mark is decisive: if this trade-mark is not likely to cause confusion with the Prosol trade-marks, it is unnecessary to consider the other marks which, because notably of their designs, are much less similar to the Prosol trade-marks.

[80] Prosol submits that there is an enormous resemblance between its two registered trade-marks, *FUSION FORCE* and *FUSION PATCH*, and Custom's FUSION PRO Marks, due to the

common use of the word “Fusion.” Custom replies that, to the contrary, the parties’ trade-marks do not resemble one another as they have different appearances and ideas, with each party using the common word “Fusion” with something else. Moreover, to the extent that they share the word “Fusion”, Custom argues that this common element is also used by numerous other trade-marks in the same business sector, so that purchasers tend to pay more attention to non-common features, further distinguishing Prosol’s and Custom’s marks (*Molson* at para 8). Custom states that this is especially true in the case of *FUSION PATCH*, which is always followed by the term “Extreme” – e.g., “FUSION PATCH EXTREME.”

[81] The trade-marks in dispute here evidently share the common word “Fusion.” However, the evidence indeed confirms that many others in the flooring business also use this same element, likely causing consumers to focus on other, non-common features. Trade-marks are to be considered in their totality and in the circumstances of this case, this leads to a finding of no confusion. Since “Fusion” is a commonly used term in the flooring business and a suggestive word, the other terms used in the trade-marks serve to distinguish them and to make them dissimilar.

[82] Custom uses the additional word “Pro” whereas Prosol resorts to “Force” and “Patch”. Prosol’s use of the word “Force” in the *FUSION FORCE* trade-mark implies the idea of a strong, reliable degree of fusion, while the word “Patch” in the *FUSION PATCH* trade-mark emphasizes the fusing property of the ware, with “patch” suggesting the bringing together of two things or the act of covering of an area with a substance. Both of these additional words relate to the general idea conveyed by adhesive products. Conversely, the word “Pro” used in Custom’s

FUSION PRO Marks dissimilarly speaks to a high quality, professional-level fusion product, rather than to the fusion or joining process itself. I am of the view that the presence of the word “Pro”, as opposed to “Force” or “Patch”, in the Custom’s trade-mark names is an element which contributes to distinguish the Custom Marks from Prosol’s trade-marks.

[83] I further note that Prosol does not mark the word “Fusion” with a TM but rather put such TM at the end of a complete alleged trade-mark such as *Fusion Patch Extreme*TM. Prosol tends to place a TM symbol only after words other than “Fusion” in its trade-marks, and not close to the word “Fusion”, thus illustrating an awareness that such common, descriptive word cannot be monopolized. In terms of appearance, I would add that the second parts of the registered or common law trade-marks (for example, “Force”, “Patch”, “Gold” or “Black”) are nouns or adjectives that do contribute to detract from the dominance of the first part of the marks— that is, the word “Fusion”. Furthermore, as indicated above, the word “Fusion” is always used by Prosol in connection with something else in its trade-marks, and it is not used on its own.

[84] I also observe that, with respect to sound, the trade-marks resemble each other, sharing the same term “Fusion” in all instances. In the case of *FUSION PATCH*, there are even more similarities since both *FUSION PATCH* and *FUSION PRO* contain a second word beginning with the letter “P.” However, this fact is somewhat counterbalanced by the constant use of the term “Extreme” with this particular mark – e.g., *FUSION PATCH EXTREME* –. The similarity of the sound of “Fusion” is not enough, in my view, to support the argument of resemblance as the word “Fusion” is not used alone as a trade-mark.

[85] For all those reasons, while it is true that the word “Fusion” is arguably the dominant element of the parties’ trade-marks, I am not satisfied, in light of the low distinctiveness associated with the word “Fusion” and the other words used in the trade-marks at issue, that there is a high degree of resemblance between the trade-marks of the parties.

(6) Additional surrounding factors

[86] Subsection 6(5) is not exhaustive of the surrounding circumstances to be considered when assessing confusion and, in any given case, there may be other relevant factors that the Court should take into account.

[87] In the current case, Custom mentions two additional considerations, submitting that they both point away from confusion. I agree. Firstly, Custom notes that the Canadian Intellectual Property Office did not consider its trade-marks confusing with the Prosol Marks and agreed to register the Prosol Marks knowing that the Register already included numerous trade-marks in the flooring industry using the term “Fusion.” Secondly, Custom highlights the lack of any instances of actual confusion between the parties’ trade-marks. While this fact is worth noting, I am however mindful that it is not particularly important, let alone determinative, given that the confusion to be measured under section 6 of the Act is confusion “not in the strict yes or no sense, but in the sense of whether it is “likely”” (*Chamberlain Group, Inc v Lynx Industries Inc*, 2010 FC 1287 at para 38).

[88] Having regard to all the surrounding circumstances, I thus find that, taken together and on a balance of probabilities, there is no likelihood of confusion between the Custom Marks and the

Prosol registered and common law trade-marks. While *FUSION FORCE* and *FUSION PATCH* predate Custom's FUSION PRO Marks by a few years, they are not distinctive from the Custom Marks, given their low inherent or acquired distinctiveness, the dissimilarity in the nature of the wares, the different nature of the parties' trades, and the trade-marks' appearances and ideas. The Custom Marks differ from the Prosol Marks in numerous respects, as they use the word "Pro" instead of "Force" or "Patch" to complement the usual word "Fusion", and they have a special design for two of the trade-marks. In addition, the two groups of marks are in different product lines or wares.

[89] Therefore, in this context, it is difficult to imagine that a consumer in a hurry, with an imperfect recollection of the Prosol Marks, would be likely to believe that the wares associated with the Custom Marks were produced, sold, provided or originated from the same source as the Prosol Marks. The relevant consumer here is a tradesperson who would be better able than the individual consumer to distinguish between the trade-marks when used in relation to adhesive or grouting products. The test remains one of first impression and imperfect recollection and, in my opinion, a tradesperson, for all his or her expertise, would be unlikely to conflate the source of the FUSION PRO Marks with that of the *FUSION FORCE* or *FUSION PATCH* trade-marks or of the other Prosol common law trade-marks.

IV. Conclusion

[90] In light of the evidence before me, I am not satisfied that a casual consumer observing the Custom Marks and having no more than an imperfect recollection of the Prosol Marks would

likely be confused into thinking that the source of the wares associated with the Custom Marks was one and the same as the source of the wares associated with the Prosol Marks.

[91] As such, I find that Prosol has not discharged its burden and that the evidence does not support the expungement of the Customs Marks, whether on the basis of paragraph 18(1)(a) or (d) of the Act. There is simply insufficient evidence to support Prosol's claim. I therefore conclude that Prosol has not successfully demonstrated that the registrations of Customs' FUSION PRO Marks are invalid on the basis of confusion and, as a result, I dismiss the application that the trade-marks be expunged under section 57 of the Act.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. The application is dismissed;
2. The parties shall file written submissions on the issue of costs, not exceeding 5 pages, within 7 days of the date of this judgment.

"Denis Gascon"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

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BUILDING PRODUCTS LTD

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JUDGMENT AND REASONS GASCON J.

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