

Federal Court



Cour fédérale

**Date: 20151204**

**Docket: T-2441-14**

**Citation: 2015 FC 1344**

**Ottawa, Ontario, December 4, 2015**

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

**BETWEEN:**

**HOME HARDWARE STORES LIMITED**

**Applicant**

**And**

**BENJAMIN MOORE & CO., LIMITED**

**Respondent**

**JUDGMENT AND REASONS**

**I. BACKGROUND**

[1] Home Hardware Stores Limited (the Applicant) appeals from a decision of a member of the Trade-marks Opposition Board (the Board) pursuant to section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [the *Act*]. This decision was handed down on September 29, 2014.

[2] In the decision, the Board rejected the Applicant's oppositions to the applications of Benjamin Moore & Co., Limited (the Respondent) for the trade-marks BENJAMIN MOORE NATURA (No. 1,423,996) and BENJAMIN MOORE NATURA & Design (No. 1,423,997).

[3] The Applicant seeks an order setting aside the decision of the Board rejecting the oppositions, an order refusing the Respondent's trade-mark applications, as well as costs. The Respondent, conversely, submits the appeal should be dismissed. It seeks an order directing the Registrar of Trade-marks (the Registrar) to allow the trade-mark applications, plus costs on a solicitor-client basis.

[4] On January 9, 2009, the Respondent had filed applications for the trade-marks BENJAMIN MOORE NATURA and BENJAMIN MOORE NATURA & Design, based on proposed use in Canada in association with "interior and exterior paints". The Applicant filed Statements of Opposition to the applications on October 29, 2009, and on January 21, 2010, respectively. The Applicant opposed the applications on the following grounds (material dates also noted):

- the trade-mark applications do not comply with subsections 30(e) and (i) of the *Act* (as of January 9, 2009, the filing date of the applications);
- the trade-marks are not registrable pursuant to paragraph 12(1)(d) of the *Act* (as of September 29, 2014, the date of the Board's decision);
- the Respondent is not the person entitled to registration of the trade-marks pursuant to paragraphs 16(3)(a) and (b) of the *Act* (as of January 9, 2009, the filing date of the applications); and

- the trade-marks are not distinctive under section 2 of the *Act* (as of October 29, 2009, and January 21, 2010, the filing dates of the oppositions for BENJAMIN MOORE NATURA and BENJAMIN MOORE NATURA & Design respectively).

[5] The Applicant is a Canadian cooperative wholesale company with over 1,000 independent hardware dealers nationwide. The Respondent is a Canadian subsidiary of an American paint company with a network of 800 independently owned retailers across Canada.

## II. DECISION UNDER APPEAL

[6] The Board found in favour of the Respondent on all of the grounds of opposition.

[7] The Board dismissed the Applicant's arguments with respect to compliance under subsections 30(e) and (i), finding the Applicant had failed to satisfy its initial evidentiary burden of adducing sufficient reliable evidence to sustain these opposition grounds (*John Labatt Ltd v Molson Companies Ltd* (1990), 30 CPR (3d) 293 at 298 (FCTD)).

[8] The Board analyzed the remaining grounds of opposition under the issue of confusion.

The Board cited subsections 6(2) of and (5) as the applicable provisions of the *Act*:

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

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

performed by the same person, whether or not the goods or services are of the same general class.

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) 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

(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 trademarks 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.

[9] The Board noted that all of the surrounding circumstances must be considered, in addition to those specifically enumerated in subsection 6(5).

[10] Beginning with the inherent and acquired distinctiveness of the trademarks (paragraph 6(5)(a)), the Board found this factor favoured neither party at the earliest material date (January 9, 2009) and the Respondent at the later material dates (October 29, 2009, January 18, 2010, or September 29, 2014). According to the Board, neither the Applicant's trade-marks nor the Respondent's applied-for marks possess a high degree of inherent distinctiveness. The Board noted the NATURA component of the parties' marks is suggestive of products that are ecologically friendly. The marks were thus found to be relatively weak. With respect to acquired distinctiveness, because the Respondent's BENJAMIN MOORE NATURA trade-mark was not used in Canada until after the date of filing, the Board found that it had only acquired distinctiveness as of the later material dates. By contrast, regarding the Applicant, the Board was only able to find that some of the Applicant's trade-marks had acquired "some" distinctiveness beginning in May 2005. Further, the Board was unable to conclude that the Applicant's trade-marks related to paint or paint-related products had acquired anything more than a minimum level of distinctiveness at any material time.

[11] With respect to the length of time the trade-marks have been in use (paragraph 6(5)(b)), the Board found this factor did not favour either party to any significant extent. The Board noted the NATURA trade-mark had been used by the Applicant in association with unspecified paint supplies since July 2006, and the BEAUTI-TONE NATURA trade-mark had been used in association with paint since January 2009, although the extent of such use was considered by the Board to be "indeterminate". In contrast, the Board found the Respondent had used the BENJAMIN MOORE NATURA trade-mark "soon after" January 2009.

[12] The Board analyzed the nature of the wares and the nature of the trade together (paragraphs 6(5)(c) and (d)), finding in favour of the Respondent. The Board found the nature of the parties' wares was identical with respect to the Applicant's BEAUTI-TONE NATURA trade-mark, and similar with respect to the Applicant's trade-marks for its paint-related products. However, it noted that other trade-marks of the Applicant were related to different wares than the Respondent's applied-for marks. Moreover, the Board found that the parties' channels of trade were quite distinct, as the parties sell their wares through their own independently operated chain stores. Consequently, although the Board found "some overlap" in the parties' wares, it decided these factors in favour of the Respondent because the wares are sold through distinct channels of trade.

[13] With respect to the degree of resemblance between the trade-marks in appearance or sound or in the ideas suggested by them (paragraph 6(5)(e)), the Board found this factor to favour the Respondent. The Board identified this statutory factor as often likely to have the greatest impact on the confusion analysis, citing *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at para 49 [*Masterpiece*]. The Board noted the design features and descriptive phrases of the Applicant's registered marks, and, to a lesser extent, the BENJAMIN MOORE prefix of the Respondent's trade-marks, differentiated the overall visual impact of the parties' trade-marks. The descriptive phrases of the Applicant's trade-marks and the BENJAMIN MOORE prefix of the Respondent's trade-mark were also found to differentiate the sounding of the trade-marks and the ideas suggested by them. Consequently, the Board found the parties' trade-marks are more different than alike with respect to their overall visual impact, sound, and the ideas suggested.

[14] To summarize, the Board applied the subsection 6(5) factors as follows:

Inherent and acquired distinctiveness (paragraph 6(5)(a))	Neither (earliest material date); Respondent (later material dates)
Length of use (paragraph 6(5)(b))	Neither
Nature of the wares (paragraph 6(5)(c))	Respondent
Nature of the trade (paragraph 6(5)(d))	Respondent
Degree of resemblance (paragraph 6(5)(e))	Respondent

[15] The Board, which focused on the BENJAMIN MOORE NATURA application in its decision, was unable to find confusion at any of the material dates. The Board made essentially the same findings with respect to the opposition to BENJAMIN MOORE NATURA & Design, as the issues and material dates were analogous.

[16] The Applicant had also argued the applied-for BENJAMIN MOORE NATURA mark is confusing with the Applicant's BEAUTI-TONE NATURA trade-mark in light of a previous decision of the Board on this issue. In that earlier decision, indexed as *Benjamin Moore & Co v Home Hardware Stores Limited*, 2013 TMOB 41, the Respondent opposed the Applicant's application of the BEAUTI-TONE NATURA trade-mark on the basis of confusion with its marks NATURA, BENJAMIN MOORE NATURA, and BENJAMIN MOORE NATURA & Design. As the Respondent was successful in its opposition, the Applicant submitted the Board ought to find confusion in the present case as well. The Board rejected this argument. It noted that each case must be decided on its own facts, and the evidence before it in the present case was appreciably different. Specifically, and contrary to the previous decision, the Board found the Respondent had established significant use of its marks at the later material dates and that the

parties' channels of trade were distinct. In addition, the Board found the previous decision assigned more inherent distinctiveness to the parties' trade-marks, as there was no evidence of the environmentally-friendly characteristics of the parties' wares.

[17] As a result, the Board rejected the Applicant's oppositions.

### III. OVERALL POSITIONS OF THE PARTIES

[18] The Applicant asks the Court to reverse the decision of the Board and to refuse the Respondent's applications. According to the Applicant, the Board made repeated errors of fact and law. The Applicant also seeks to lead new evidence on this appeal, which, in the Applicant's submission, would have materially affected the Board's decision. Accordingly, the Applicant submits the Court should review the matter *de novo*. The Applicant submits that all of the factors weigh in its favour, and that a likelihood of confusion exists.

[19] The Respondent submits that the Court should dismiss the appeal, and seeks an order directing the Registrar to allow its applications to proceed to registration. It submits the facts do not support a likelihood of confusion, whether on a standard of reasonableness or correctness. The Respondent also opposes the Applicant leading new evidence, arguing the new evidence is repetitive and does not address the deficiencies of the decision alleged by the Applicant. As such, it is the contention of the Respondent that the new evidence would not have materially affected the decision of the Board.

#### IV. ISSUES

[20] There is no real dispute between the parties as to the questions to be resolved in this appeal. They are as follows:

- 1) What standard of review applies to the decision of the Board?
- 2) Did the Board err in rejecting the grounds of opposition alleged under section 30 of the *Act*?
- 3) Did the Board err in failing to find confusion between the Applicant's trade-marks and the Respondent's trade-marks at any of the material dates related to the grounds of opposition alleged under paragraphs 12(1)(d), 16(3)(a), or section 2 of the *Act*?

#### V. ANALYSIS

A. *What standard of review applies to the Board's decision?*

[21] If the Court finds the new evidence adduced by the Applicant would have materially affected the decision of the Board, the standard of review is correctness. The Court must conduct a *de novo* analysis of the grounds of opposition, having regard to all of the evidence: *Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145 at paras 46-51 (FCA), cited in *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 35 [*Mattel*]. If, on the other hand, the new evidence would not have materially affected the Board's findings, the Court need only determine whether the decision was reasonable. On this standard, the decision of the Board must be justified, transparent, and intelligible, and fall "within a range of possible, acceptable outcomes which are defensible in respect of the facts and law": *Dunsmuir v New Brunswick*, 2008 SCC 9 at para 47.

The question is whether the Board's decision is not "clearly wrong" and supported by reasons that can withstand a "somewhat probing" examination: *Mattel* at para 40.

(1) Would the new evidence have materially affected the decision?

[22] On an appeal from a decision of the Registrar, new evidence may be adduced pursuant to subsection 56(5) of the *Act*:

**56. (5)** On an appeal under subsection (1), evidence in addition to that adduced before the Registrar may be adduced and the Federal Court may exercise any discretion vested in the Registrar.

**56. (5)** Lors de l'appel, il peut être apporté une preuve en plus de celle qui a été fournie devant le registraire, et le tribunal peut exercer toute discrétion dont le registraire est investi.

[23] The test for determining whether the new evidence should be considered by the Court is whether it would have materially affected the Board's findings of fact or the exercise of its discretion. The test is one of quality, not quantity.

[24] The Applicant has adduced the following new evidence on appeal:

- The first affidavit of Ray Gabel, sworn January 25, 2011, which was filed before the Board in the BENJAMIN MOORE NATURA opposition, but not in the BENJAMIN MOORE NATURA & Design opposition. The Applicant submits this affidavit constitutes new evidence in the latter matter.
- The second affidavit of Ray Gabel, sworn January 30, 2015, which includes evidence of the Applicant's presence in the paint industry in Canada, as well as the evolution and sales history of its NATURA brand, particularly with respect to paint. Mr. Gabel deposes

that the Applicant's NATURA product line dates back to 2002. It expanded into paint-related products in 2006 and into paint specifically at a buying market in September 2008, when BEAUTI-TONE NATURA paint was introduced to retailers. Sales to consumers commenced in January 2009. NATURA paintbrushes and rollers were introduced in 2010. Overall sales of NATURA products totalled more than \$64 million from 2002-2014. Between 2006 and 2014, sales of the Applicant's NATURA paint-related products totalled more than \$16.9 million, and sales of BEAUTI-TONE NATURA paint totalled more than \$9 million.

- A certified copy of the Canadian Intellectual Property Office's records relating to the Respondent's trade-mark application for NATURA (No. 1,391,987), which, according to the Applicant, establishes that the Respondent was aware of the Applicant's prior rights as early as December 10, 2008, given the citation of the Applicant's NATURA Application No. 1,294,003 as an obstacle to registration. The Registrar objected to the Respondent's application on the basis of confusion and the Applicant's prior rights to NATURA in Canada. The Respondent abandoned this application on March 29, 2015. Two days after filing its arguments in support of this former application, the Respondent filed the applications at issue in this appeal.
- The affidavit of Generosa Castiglione, sworn July 29, 2015, which includes a report from an examiner of the Registrar. The examiner found confusion between the Respondent's abandoned NATURA mark and the Applicant's family of NATURA trade-marks.
- The affidavit of Matthew Boyd, sworn January 30, 2015, which includes evidence of all retail stores selling the Respondent's paints in Canada. These stores include Home Hardware locations.

- The affidavit of James Haggerty, sworn January 30, 2015, which includes evidence of the Applicant's NATURA and BEAUTI-TONE trade-mark portfolio.

[25] The Applicant submits this new evidence, particularly the 2015 affidavit of Mr. Gabel, is significant and substantial, and would have materially affected the Board's findings of fact and the exercise of its discretion on each opposition ground. In particular, with respect to confusion, the Applicant contends this evidence is relevant to paragraph 6(5)(a) and (b), as due to the summary nature of the evidence on this point, the Board only ascribed a minimum level of acquired distinctiveness to the Applicant's trade-marks, and decided the length-of-use factor in favour of neither party. The Applicant also submits the affidavit of Matthew Boyd would have materially affected the paragraph 6(5)(d) analysis given the Board's finding that the parties occupied separate channels of trade.

[26] In response, the Respondent submits the 2011 and 2015 affidavits of Mr. Gabel simply confirm the Board's conclusion that the Applicant's trade-marks have been used more so in association with products unrelated to paint than with the products related to paint. Moreover, the Respondent submits the 2015 affidavit lacks any evidence of use of the trade-mark NATURA alone. The Respondent places emphasis on the fact that the paint-related trade-marks relied upon in the 2015 Gabel affidavit are confined to BEAUTI-TONE NATURA paint, as well as a number of registered design marks with names such as NATURA WOOD PREP, NATURA SAFE PREP, and NATURA SAFE STRIP. As such, the Respondent submits this new evidence would not have materially affected the decision under appeal, as the Board concluded these particular marks were more different than alike from the Respondent's trade-marks in terms of

resemblance (paragraph 6(5)(e)). With respect to BEAUTI-TONE NATURA specifically, the Respondent contends the evidence of use of this trade-mark is of little significance, as the product was not launched until January 2009. Finally, regarding channels of trade, the Respondent submits the Applicant's new evidence fails to establish that BENJAMIN MOORE NATURA paint is sold at Home Hardware stores. And, even if accepting this fact, the Respondent contends that such sales are at best negligible in relation to the overall Canadian market. Therefore, according to the Respondent, the Applicant's new evidence on this issue would not have materially affected the decision, as the purported overlap in the parties' channels of trade is of little probative significance.

[27] I am in agreement with the Applicant that the new evidence would have materially affected the decision of the Board. The Board found explicitly that its conclusions on paragraphs 6(5)(a) and (b) were informed, at least in part, by the paucity of the Applicant's evidence. The new evidence adduced by the Applicant significantly augments the record and, in my view, would have informed the Board's findings of fact and its weighing of these factors. The Court may consider new evidence in circumstances where the Board based its conclusion on a deficiency or absence in the evidence: *Pfizer Products Inc v Canadian Generic Pharmaceutical Assn*, 2015 FC 493 at para 140, citing *Movenpick Holding AG v Exxon Mobil Corp*, 2011 FC 1397 at para 54; *Advance Magazine Publishers Inc v Farleyco Marketing Inc*, 2009 FC 153 at paras 93-95 and 98. In my view, the 2015 affidavit of Mr. Gabel expands the record on the acquired distinctiveness and length of use of the Applicants trade-marks. Had this evidence been placed before the Board, it would have likely materially affected the decision. Similarly, the Board's finding that the parties' respective wares are sold in separate channels of trade is

displaced by the Applicant's new evidence, which shows that Benjamin Moore paint is sold at various Home Hardware retailers. Although the Respondent is correct in pointing out that the Applicant's evidence does not specifically prove that BENJAMIN MOORE NATURA paint is sold at any of the Home Hardware retailers, the evidence, at the very least, establishes overlap in the parties' channels of trade and the potential for overlap in respect of the wares at issue.

[28] As a result, I am of the view that the Court should consider the new evidence adduced by the Applicant *de novo*. As this evidence was not before the Board, the usual principle of deference does not apply. The Court may arrive at its own conclusions with respect to this evidence.

B. *Did the Board err in finding the applications comply with section 30?*

[29] According to the Applicant, the Board erred in finding the applications comply subsections 30(e) and (i) of the *Act*. These provisions provide:

**30.** An applicant for the registration of a trade-mark shall file with the Registrar an application containing

...

(e) in the case of a proposed trade-mark, a statement that the applicant, by itself or through a licensee, or by itself and through a licensee, intends to use the trade-mark in Canada;

...

(i) a statement that the

**30.** Quiconque sollicite l'enregistrement d'une marque de commerce produit au bureau du registraire une demande renfermant :

[...]

e) dans le cas d'une marque de commerce projetée, une déclaration portant que le requérant a l'intention de l'employer, au Canada, lui-même ou par l'entremise d'un licencié, ou lui-même et par l'entremise d'un licencié;

[...]

i) une déclaration portant que

applicant is satisfied that he is entitled to use the trade-mark in Canada in association with the goods or services described in the application.

le requérant est convaincu qu'il a droit d'employer la marque de commerce au Canada en liaison avec les produits ou services décrits dans la demande.

[30] The Applicant submits that the Respondent, contrary to these provisions, did not intend to use the applied-for trade-marks as of the filing date (subsection 30(e)). Nor, according to the Applicant, was the Respondent satisfied of its entitlement to use the trade-marks in Canada (subsection 30(i)). The Applicant advances these grounds of opposition on the basis that the Respondent was aware of the Applicant's prior rights to NATURA, and filed the applications at issue in this appeal in disregard of, and expressly to circumvent, the Applicant's prior rights. It is the contention of the Applicant that the applications were filed principally because the Respondent had failed to secure the rights to NATURA alone. In support, the Applicant points out that the Respondent has used the applied-for trade-marks in a way that obscures the BENJAMIN MOORE aspect of the mark, while emphasizing the NATURA aspect. The Applicant also submits the new 2010 BENJAMIN MOORE NATURA label isolates the BENJAMIN MOORE aspect of the mark from the dominant NATURA aspect, which, according to the Applicant, further underscores the lack of an intention on the part of the Respondent to use the applied-for marks at the filing dates as per subsection 30(e). Moreover, the Applicant notes the Respondent filed the applications at issue two days after filing its submissions to the Registrar in relation to the Respondent's abandoned NATURA application, wherein the Respondent references the Applicant's prior rights to a number of NATURA-related trade-marks. According to the Applicant, these submissions establish that the Respondent knew it was not entitled to use the applied-for trade-marks in Canada, contrary to subsection 30(i).

[31] The Respondent characterizes the Applicant's arguments under these grounds as a product of speculation and conjecture. The Respondent submits the timing of the applications fails to establish any lack of intention to use the applied-for marks at that time. The Respondent notes that its applications were based on proposed use, and it is consequently not required to demonstrate actual use at the time of filing to satisfy subsection 30(e). Moreover, the Respondent submits the changes to its BENJAMIN MOORE NATURA label are not reliable evidence of its intentions. On the contrary, says the Respondent, the 2009 and 2010 labels prove actual use of its applied-for marks, thereby confirming its intention to use the marks as of the filing date. With respect to subsection 30(i), the Respondent submits that its previous application (No. 1,391,987) is not the subject of this appeal, and the fact that it cited some of the Applicant's trade-marks in its response to the examiner's report has no bearing on its knowledge of entitlement to the present applied-for trade-marks.

[32] In my view, the Respondent's response to learning the Applicant had prior rights in NATURA – by applying for the trade-marks BENJAMIN MOORE NATURA and BENJAMIN MOORE NATURA & Design – fails to establish noncompliance with subsections 30(e) or (i); doing so does not lead to the conclusion that the Respondent knew that it was not entitled to use these trade-marks. The trade-marks are different than the previous abandoned application and, as the present dispute demonstrates, there are valid arguments to be made on either side as to whether these new applied-for marks are confusing. Similarly, there is no evidence to prove the Respondent did not intend to use the applied-for marks at the time of filing. To the extent that evidence of use of the applied-for marks after the filing date is relevant and admissible for this purpose, the 2009 and 2010 labels demonstrate intention of use on behalf of the Respondent. In

my opinion, whether the Respondent reduced the prominence of the BENJAMIN MOORE aspect on its label and prominently featured the NATURA aspect provides insufficient grounds to conclude that the Respondent, at the time of filing, did not intend to use the applied-for marks in Canada. The Board dismissed the grounds of opposition under subsections 30(e) and (i) for want of evidence. On appeal, the Applicant has adduced new evidence to prove the Respondent was aware of the Applicant's prior rights. Even if this new evidence is considered, I agree with the conclusion of the Board with respect to these grounds of opposition.

C. *Did the Board err in finding no likelihood of confusion?*

[33] As noted above, this question must be answered through the lens of the applicable standard of review. If the Court accepts the new evidence, it may approach the relevant issues *de novo*. Otherwise, the question is whether the Board's decision was reasonable.

[34] The parties are in agreement that confusion is the primary issue. The Applicant submits that all of the factors governing the confusion analysis should be decided in its favour, whereas the Respondent submits there is no likelihood of confusion.

(1) Distinctiveness

[35] According to the Applicant, the distinctiveness factor (paragraph 6(5)(a)) weighs in its favour. It submits NATURA is inherently distinctive and that this distinctiveness has been strengthened through the Applicant's use and promotion of the NATURA family brand since its launch in 2002. The Applicant contends that by the material date of January 9, 2009, its use of NATURA in association with paint preparation products alone totalled over \$1 million dollars in sales, and, by the material date of October 29, 2009, its sales of NATURA paint and paint-related products totalled over \$3 million in sales.

[36] Conversely, the Respondent submits this factor does not favour either party insofar as NATURA is inherently suggestive of environmentally-friendly products. The Respondent also quarrels with the Applicant's characterization of the acquired distinctiveness of NATURA in relation to the Applicant's paint and paint-related products, noting that the Applicant uses the trade-mark BEAUTI-TONE NATURA for paint, and a number of other product names (e.g. NATURA WOODPREP, NATURA SAFE PREP, NATURA SAFE STRIP) for paint-related products. The Respondent submits there is no evidence of use of NATURA alone for such products.

[37] Beginning with inherent distinctiveness, the Board placed much emphasis on the fact that NATURA is suggestive of environmentally friendly products, which it found was consistent with the nature of the parties' respective wares. In my view, although the word NATURA is, as the Board found, not highly distinctive, and although, to state the obvious, the mark suggests a

quality of naturalness, NATURA is not an English word. It is not in common use in everyday language. It possesses some uniqueness and novelty, particularly in association with paint and paint-related products. With respect to acquired distinctiveness, the Applicant's new evidence establishes that its NATURA brand of trade-marks, and in particular its trade-marks for paint and paint-related products, had acquired considerable distinctiveness in the marketplace at the various material dates at issue. The Applicant's evidence establishes acquired distinctiveness for its various NATURA wares as of the earliest material date, January 9, 2009, except for its paint, which was only just entering the retail marketplace at that point in time.

[38] Overall paint sales figures do not particularly favour either party. Between 2009 and 2014, the Respondent's total sales revenue of BENJAMIN MOORE NATURA paint is over \$12 million (USD), whereas the Applicant's total sales revenue of BEAUTI-TONE NATURA paint is over \$9 million. The Applicant's total revenue of NATURA paint-related products between 2006 and 2014 is over \$16 million. It is perhaps notable that the Respondent's sales of paint in association with the BENJAMIN MOORE NATURA trade-marks, which were initially stronger than those of the Applicant, have declined steadily between 2009 and 2014, whereas the Applicant's sales figures in respect of BEAUTI-TONE NATURA appear to be increasing and are now stronger than those of the Respondent. More broadly, in my view, the Applicant's evidence establishes superior acquired distinctiveness over its NATURA family brand of trade-marks generally. I am of the view that the distinctiveness factor reweighed in light of the new evidence overall favours the Applicant, even if only slightly with respect to some of its trade-marks at some of the material dates.

(2) Length of time in use

[39] Turning to the length of time the trade-marks have been in use (paragraph 6(5)(b)), the Applicant submits this factor also weighs in its favour on all material dates. The Applicant points out that there is no dispute that it is the senior user of NATURA in Canada, dating back to 2002 for products generally, to 2006 for paint preparation products, and to January 2009 for paint. In contrast, the Applicant submits the Respondent did not use NATURA until years after the establishment of the Applicant's NATURA family brand.

[40] The Respondent submits the acquired distinctiveness of the Applicant's marks can only be assessed as of the material date for each ground of opposition. Thus, for non-entitlement (section 16) the relevant date is the filing of the Respondent's applications, namely January 9, 2009. The Respondent notes the BEAUTI-TONE NATURA trade-mark had not yet been used at that time. Similarly, with respect to non-registrability (section 12) the material date is the date of the Board's decision, namely September 29, 2014. The Respondent submits that its applied-for marks had been used extensively for five years by this time, generating sales in excess of \$12 million.

[41] In my view, even without the aid of the new evidence, the Board erred in its conclusion that this factor did not favour either party. The Board based its conclusion on the fact that the extent of the Applicant's prior use of its trade-marks was "indeterminate," which conflates length of use considerations (paragraph 6(5)(b)) with acquired distinctiveness considerations, already factored into the paragraph 6(5)(a) analysis above. The Respondent has been selling its paint in

association with the applied-for marks in Canada since as early as April 2009. The Applicant has been selling its paint in association with its BEAUTI-TONE NATURA mark since January 2009, NATURA paint-related products since 2006, and all other NATURA products since 2002. In my view, while length of use may not be as determinative as the other factors, particularly since the Applicant's use of its BEAUTI-TONE NATURA trade-mark predates the use of the Respondent's applied-for marks by only a few months, the evidence necessarily decides this factor in favour of the Applicant.

(3) Nature of the wares

[42] The Applicant submits this factor should be weighed in its favour on all material dates because there is significant overlap in the nature of the parties' wares. The parties' trade-marks are used in association with paint products.

[43] The Respondent points out that many of the goods in association with the NATURA family of trade-marks are unrelated to paint or paint preparation, and as only BEAUTI-TONE NATURA relates to paint itself, the differences between the applied-for marks and this particular trade-mark rule out any likelihood of confusion.

[44] In my view, the nature of the wares in this case weighs in favour of the Applicant. Again, the Respondent's arguments conflate distinct subsection 6(5) factors. The nature of the parties' wares is a different consideration than the degree of resemblance under paragraph 6(5)(e). For the purposes of paragraph 6(5)(c), it is sufficient that both the Applicant and the Respondent sell the same respective wares bearing the trade-marks at issue.

(4) Nature of the trade

[45] The Applicant submits this factor should also be weighed in its favour on all material dates, as the new evidence establishes direct overlap in the parties' respective channels of trade. According to the Applicant, and contrary to the findings of the Board, the new evidence establishes that the Respondent's paint is not just sold through its own chain stores but through independent retailers, including a number of the Applicant's Home Hardware stores.

[46] The Respondent submits there is an absence of reliable evidence on whether the parties' occupy overlapping channels of trade. Accordingly, the Respondent submits there is no basis for the Court to overturn the conclusion of the Board on this point. And, even if the new evidence on this issue is accepted at face value, the Respondent takes the position that any potential overlap that may exist is negligible.

[47] In my view, the Applicant's new evidence does establish some overlap in the parties' channels of trade in that Canadian consumers can purchase Benjamin Moore paint products in Home Hardware stores. Mr. Boyd's affidavit thus displaces the Board's finding that the parties' sell their wares through their own independently operated chain stores and thus occupy distinct channels of trade. The Respondent points out, however, that this affidavit evidence does not establish that BENJAMIN MOORE NATURA paint is sold in the Applicant's stores specifically. I agree with that submission, as far as it goes. While perhaps this new evidence may not resolve the paragraph 6(5)(d) factor decisively in the Applicant's favour, it does, at the very least, undermine the Board's conclusion that the parties' channels of trade are quite distinct. In

other words, this new evidence would have materially affected the Board's findings of fact on this point and should be reweighed in the overall confusion analysis.

(5) Degree of resemblance

[48] The Applicant submits the degree of resemblance of the trade-marks (paragraph 6(5)(e)) also weighs in its favour. It submits the NATURA component of the trade-marks is the most striking and unique. Indeed, the Applicant points out that the evidence of the Respondent's use of the applied-for marks readily demonstrates that the NATURA aspect is the dominant element: the Respondent centres the NATURA aspect of the mark prominently on the label, while the BENJAMIN MOORE aspect is separated, in smaller font, and situated at the top of the label.

[49] The Respondent contends that the Applicant's submission comparing its marks with the applied-for marks as they are in fact used contravenes the requirement that the proposed use trade-mark should be assessed according to its terms, rather than by its actual use: *Masterpiece*, at paras 51-52. Moreover, the Respondent submits the acquired distinctiveness of BENJAMIN MOORE establishes that the Canadian public has come to associate this aspect of applied-for marks as a source of paint, and that it is this aspect that is therefore the most striking and unique. The NATURA aspect, by contrast, is merely suggestive and, in the case of the Applicant, it is used as a modifier to signify ecologically-friendly products. (The Respondent submits that many other products, including paint and paint-related products, use the NATUR- character string as a trade-mark for this purpose.) The Respondent also points out that the BEAUTI-TONE aspect of the Applicant's trade-mark related to paint is the most striking or unique, especially in light of the Applicant's assertion that BEAUTI-TONE is the leading paint brand in Canada. The

Respondent further submits the trade-marks differ in visual impact, given the different logo and font between them.

[50] In my view, there is no question that the parties' trade-marks both utilize NATURA, and, to this extent, there is obviously a degree of resemblance. The question is, to what extent do the other aspects of the applied-for marks and the Applicant's trade-marks serve to distinguish them? The Board was satisfied these other aspects were sufficiently differentiating to resolve this factor in favour of the Respondent. While no new evidence has been adduced to displace the deference afforded to this conclusion, I agree with the Applicant that the Board placed much emphasis on the distinguishing aspects of the trade-marks, but its reasons do not grapple with the NATURA feature of the parties' trade-marks, which underlies this litigation.

[51] The Respondent's submissions with respect to *Masterpiece* mischaracterize the law on this issue. In that decision, Justice Rothstein found that evidence of the actual use of proposed use trade-marks should not be considered to the exclusion of potential uses within the registration (para 59). Evidence of actual use may still be a relevant consideration, and here, it is evident that both parties feature the NATURA aspect of their respective marks as the central product name.

[52] Moreover, the Board did not really address one important area of potential confusion: both parties use the word "NATURA" deliberately, to indicate the naturalness or environmental friendliness of their products, including paint products, to potential purchasers. In my view, this

intended effect, central as it is to both parties' marks, raises a likelihood of confusion despite the other differentiating aspects of the respective marks.

[53] This consideration is reflected in paragraph 6(5)(e) of the Act, which expressly refers to the ideas suggested in trade-marks as relevant to their degree of resemblance.

[54] As noted by Justice Binnie in *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 35: “[f]or confusion to exist, it is not necessary that the trade-marks be identical, only that the “same idea” is sufficiently conveyed to the mind of the somewhat-hurried consumer to induce the mistaken inference.”

[55] This consideration was applied in *Gary Gurmukh Sales Ltd v Quality Goods IMD Inc*, 2014 FC 437 at para 102:

[102] There is no evidence of confusion or actual confusion in this case, as noted by Quality. The question is whether the trade-marks convey the same idea to consumers, such that it is likely to lead to confusion; see the decision in *Veuve Clicquot*, supra at paragraph 35. In my opinion, the trade-marks convey the same ideas.

[56] Accordingly, an application of this factor to the facts results in a conclusion that the degree of resemblance between the trade-marks favours the Applicant.

(6) Surrounding circumstances

[57] Finally, the Applicant contends that the Court ought to consider the following surrounding circumstances as relevant to the confusion analysis: (i) the Respondent's

appropriation of NATURA; (ii) the integrity of the trade-mark regime; and (iii) the Applicant's NATURA family of trade-marks. The Respondent submits the Court ought to factor the following surrounding circumstances: (iv) the absence of evidence of actual confusion; and (v) widespread use of trade-marks prefixed with "NATUR-".

(a) *The appropriation of NATURA*

[58] The Applicant characterizes the Respondent's applications as an appropriation of its prior rights. Essentially, the Applicant takes the view that the Respondent's addition of BENJAMIN MOORE in its applications was merely a "dressing up" of an attempt to claim the NATURA trade-marks as its own. Again, the Applicant points out that the Respondent filed the applications at issue only days after it filed arguments to the Registrar in support of the abandoned NATURA application.

[59] The Respondent, conversely, submits that there is no principle in Canadian law prohibiting the "dressing up" of a competitor's trade-mark. Instead, the Respondent notes that Canadian trade-mark law prohibits the use and registration of confusingly similar marks, and the Court need only concern itself with this general question.

(b) *The integrity of the trade-mark regime*

[60] The Applicant submits the integrity of the trade-mark regime would be undermined if the Respondent, a junior user, prevails in the face of the Applicant's prior rights.

[61] The Respondent submits that there are numerous examples where a junior user has been permitted to use and/or register a trade-mark that incorporates the senior user's trade-mark, even where the goods are overlapping.

[62] Unsurprisingly, the junior user prevailed in the cases cited by the Respondent because no confusion was found. In this regard, this surrounding circumstance is a nonissue. If the trade-marks are confusing, the Applicant will succeed as the prior rights holder. If not, the Respondent will succeed as the junior user. Thus, in my view, the integrity of the trade-mark regime is not of particular concern in the present case, aside from the general interest in protecting the consumer from confusion.

(c) *The NATURA family of trade-marks*

[63] The Applicant contends that its series of marks with the same features weighs against an applicant applying for the same mark: *Molnlycke AB v Kimberley-Clark of Canada Ltd* (1982), 61 CPR (2d) 42 at 47-48 (FCTD).

[64] The Respondent, however, submits that the Applicant's NATURA family of trade-marks is of minimal significance because the bulk of these trade-marks are used in association with goods unrelated to paint.

[65] While the Respondent is correct to point out that only a subset of the Applicant's NATURA trade-marks are related to paint, I am in agreement with the Applicant that a family of trade-marks with the same features, held by a single owner, is a relevant surrounding

circumstance for the Court to consider. While the confusion analysis compares trade-marks individually, the acquired distinctiveness and notoriety of a family of trade-marks can reinforce the distinctiveness of the individual trade-marks within that family.

(d) *The absence of evidence of actual confusion*

[66] The Respondent places much emphasis on the fact that the Applicant has tendered no evidence of actual confusion, citing *Christian Dior, SA v Dion Neckwear Ltd*, 2002 FCA 29 at para 19.

[67] I agree with the Respondent that the absence of evidence of confusion is a relevant consideration to be factored into the Court's overall analysis.

(e) *Widespread use of part of a trade-mark*

[68] According to the Respondent, the weight to be given to resemblance between the trade-marks under paragraph 6(5)(e) is attenuated if it is shown that the marketplace is capable of distinguishing between competing marks. In this regard, the Respondent has filed the affidavit of Lynda Palmer, sworn February 9, 2015, which includes search results for trade-marks including the character string "BENJAMIN MOORE" and also results including the character string "NATUR-" in association with painting, cleaning and gardening products. The Respondent submits this evidence establishes that trade-marks like NATURA are in common use, and thus it can be inferred that purchasers have learned to consider such marks carefully to determine what they are buying, thereby reducing any likelihood of confusion. The Respondent cites *Kellogg*

*Salada Canada Inc v Maximum Nutrition Ltd* (1992), 43 CPR (3d) 349 at 353-355 (FCA) and *Alticor Inc v Nutravite Pharmaceuticals Inc*, 2004 FC 235 at paras 63-72.

[69] The Applicant, however, submits this evidence is of limited probative value. It notes that none of the marks identified exactly replicate the term NATURA. Further, the Applicant submits that no evidence of the use of these identified marks is before the court and thus no valid marketplace inferences can be drawn.

[70] I am in agreement with the Applicant that this evidence adduced by the Respondent fails to establish that consumers are capable of distinguishing between competing NATURA trade-marks because of widespread use of trade-marks bearing the prefix NATUR-. None of the trade-marks revealed in the Respondent's evidence disclose use of any NATURA trade-mark specifically. At best, the Respondent's evidence provides indication that use of the mark NATURAL, and modifications of that word, are used in the marketplace. This conclusion is neither surprising nor of particular relevance to the present case.

## VI. CONCLUSION

[71] I find that the Applicant's new evidence would have materially affected the Board's confusion analysis, and a consideration of this evidence requires the Court to reweigh the factors and arrive at its own determination.

[72] Summarising the conclusions I reached above:

- 1) the distinctiveness factor slightly favours the applicant;

- 2) the length of use factor slightly favours the applicant;
- 3) the nature of the wares factor weighs in favour of the applicant;
- 4) there is some overlap in the channels of trade;
- 5) the degree of resemblance factor favours the applicant; and
- 6) the “family of trademarks” argument supports the applicant’s position;

[73] Therefore, I find that an ordinary consumer would likely be confused as to whether the parties’ trade-marks originate from the same source, particularly as those marks are used in association with paint, notwithstanding the modifying aspects of BEAUTI-TONE and BENJAMIN MOORE respectively. In my opinion, as a matter of first impression, a casual consumer somewhat in a hurry who encounters BENJAMIN MOORE NATURA paint, when that consumer has no more than an imperfect recollection of BEAUTI-TONE NATURA paint, would likely be confused as to the source of these wares, at least as of the later material dates when the Applicant’s NATURA brand had acquired particular distinctiveness in respect of paint. A consumer would likely be confused as to whether the Respondent’s trade-mark originates from the same source as the Applicant’s trade-mark.

**JUDGMENT**

**THIS COURT'S JUDGMENT is that:**

1. The Board's decision rejecting the oppositions is set aside;
2. The Respondent's trade mark applications are refused; and
3. The Respondent will pay the Applicant's costs.

“Robin Camp”

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Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

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