

Federal Court



Cour fédérale

Date: 20180619

Docket: T-1129-17

Citation: 2018 FC 630

Ottawa, Ontario, June 19, 2018

PRESENT: The Honourable Mr. Justice O'Reilly

BETWEEN:

STEELBIRD GHETTO PROPERTIES LLC

Applicant

and

**BEAU'S ALL NATURAL
BREWING COMPANY LTD.**

Respondent

JUDGMENT AND REASONS

I. Overview

[1] Steelbird Ghetto Properties LLC seeks an Order striking the trademark B-SIDE BREWING LABEL which is registered to Beau's All Natural Brewing Company Ltd (Canadian Trademark Registration No. TMA950, 300). Steelbird claims that Beau's was not entitled to register the B-Side mark because Steelbird had been using it earlier in association with wine, the

mark is confusing when compared to Steelbird's mark, and Beau's had provided an incorrect date of its first use of the mark.

[2] In support of its application, Steelbird has filed documentary evidence and written submissions, and made oral representations. Beau's has not responded. Based on the materials before me, I find that Steelbird's application should be allowed because Beau's registered mark is confusingly similar to a mark previously used by Steelbird. Beau's registered mark should therefore be expunged. Steelbird raised three issues:

1. Did Steelbird use the B-Side mark first?
2. Was Beau's B-Side mark confusing when compared to Steelbird's mark?
3. Did Beau's provide an incorrect date of first use in its trademark application?

[3] Steelhead concedes that the third issue raises a novel question relating to the interpretation of s 30 of the *Trade-marks Act*, RSC 1985, c T-13 (see Annex for provisions cited). Given that I do not have the benefit of opposing submissions, I decline to address the third issue and will deal only with Issues 1 and 2.

II. Background

[4] In 2015, Beau's applied for the B-Side trademark for use in association with a branding exercise for Ontario craft beers. Beau's claimed use of the mark since July 2013.

[5] Steelbird did not oppose the registration but wrote to Beau's in July 2016 questioning Beau's claimed use of the mark and providing a copy of its own trademark application for B-

Side. Beau's responded by pointing out that it had used the mark in association with its Kissmeyer Nordic Pale Ale. Steelbird replied that Beau's listings with the Liquor Control Board of Ontario did not support Beau's claim. Rather, the LCBO web page showed a release date of November 2014 for the Kissmeyer product whose label did not, in any case, show the B-Side mark. Steelbird asked Beau's to withdraw its application, but it did not do so. Beau's obtained its registration in September 2016.

A. *Issue One - Did Steelbird use the B-Side mark first?*

[6] Steelbird has provided evidence in the form of invoices, sales records, and photographs of wine bottles bearing the B-Side mark. The evidence shows that Steelbird, through its licensee Don Sebastiani & Sons International Wine Negotiants (DSS), has used B-Side as a trademark in Canada in association with wine since 2011, at least two years prior to any use by Beau's. DSS sold B-Side Cabernet in British Columbia from 2011 to 2014, in Ontario in 2013 and 2015, and in Quebec in 2013.

[7] Beau's was not entitled to register a trademark that was confusing when compared to a mark that had been previously used by someone else (s 16(1)(a)). Given that Steelbird was previously using the B-Side mark, the next question is whether the marks were confusingly similar.

B. *Issue Two - Was Beau's B-Side mark confusing when compared to Steelbird's mark?*

[8] A mark is considered confusing if a “casual consumer somewhat in a hurry” would mistakenly conclude that the parties’ products had the same source (*Mattel USA Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 51-56). A number of the prescribed factors lead me to conclude that a rushed consumer would likely infer that Steelbird’s wine and Beau’s beer were sold by the same company (s 6(5)).

[9] First, the B-Side mark is inherently distinctive as applied to alcoholic beverages. It does not allude either to the product or its characteristics. It is a term used in relation to vinyl records, not drinks.

[10] Second, the B-Side mark has been used by Steelbird for several years, longer than any use by Beau’s. It may have acquired some association with Steelbird’s products in consumers’ minds.

[11] Third, both products are alcoholic beverages and, therefore fall within the same class of goods (*Mark Anthony Properties Ltd c Nichol*, [2008] TMOB No 141 at para 24; *Leroy SA v Alberta Distillers Ltd*, [1994] TMOB No 25 at para 17).

[12] Fourth, the parties’ goods would likely be sold in the same stores and restaurants in various provinces. For example, in 2015 and 2016, the LCBO sold both products. In addition,

both products would be considered to be in the premium category given their prices; Steelbird's wine is sold for \$34 or \$35, and Beau's Kissmeyer beer is priced at \$6.45 per bottle.

[13] Fifth, there is obviously a strong resemblance between Steelbird's B-Side mark and Beau's registered mark. They are essentially identical.

[14] Therefore, I find that Beau's registered a mark that was confusing when compared to Steelbird's pre-existing mark.

III. Conclusion and Disposition

[15] The evidence shows that Beau's registered mark was previously used by Steelbird, and that the registered mark is confusingly similar to Steelbird's mark. Therefore, I must allow Steelbird's application and order that Beau's mark be expunged from the trademark register. Steelbird asked to address the issue of costs after I release my judgment. I will consider any submissions from the parties on costs that are made within 10 days.

JUDGMENT IN T-1129-17

THIS COURT'S JUDGMENT is that:

1. The application is allowed.
2. The parties may make submissions on costs within 10 days.

"James W. O'Reilly"

Judge

ANNEX

Trade-marks Act, RSC 1985, c T-13

*Loi sur les marques de commerce,
LRC (1985), ch T-13*

What to be considered

Éléments d'appréciation

6(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

6(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

(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.

Registration of marks used or made known in Canada

Enregistrement des marques employées ou révélées au Canada

16 (1) Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with goods or services is entitled, subject to section 38, to secure its registration in respect of those goods or services, unless at the

16 (1) Tout requérant qui a produit une demande selon l'article 30 en vue de l'enregistrement d'une marque de commerce qui est enregistrable et que le requérant ou son prédécesseur en titre a employée ou fait connaître au Canada en liaison avec des produits ou services, a droit, sous réserve de l'article 38, d'en obtenir

date on which he or his predecessor in title first so used it or made it known it was confusing with

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

Contents of application

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

- (a) a statement in ordinary commercial terms of the specific goods or services in association with which the mark has been or is proposed to be used;
- (b) in the case of a trade-mark that has been used in Canada, the date from which the applicant or his named predecessors in title, if any, have so used the trade-mark in association with each of the general classes of goods or services described in the application;
- (c) in the case of a trade-mark that has not been used in Canada but is made known in Canada, the name of a country of the Union in which it has been used by the applicant or his named predecessors in title, if any, and the date from and the manner in which the applicant or named predecessors in title have made it known in Canada in association with each of the general classes

l'enregistrement à l'égard de ces produits ou services, à moins que, à la date où le requérant ou son prédécesseur en titre l'a en premier lieu ainsi employée ou révélée, elle n'ait créé de la confusion :

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

Contenu d'une demande

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

- a) un état, dressé dans les termes ordinaires du commerce, des produits ou services spécifiques en liaison avec lesquels la marque a été employée ou sera employée;
- b) dans le cas d'une marque de commerce qui a été employée au Canada, la date à compter de laquelle le requérant ou ses prédécesseurs en titre désignés, le cas échéant, ont ainsi employé la marque de commerce en liaison avec chacune des catégories générales de produits ou services décrites dans la demande;
- c) dans le cas d'une marque de commerce qui n'a pas été employée au Canada mais qui est révélée au Canada, le nom d'un pays de l'Union dans lequel elle a été employée par le requérant ou ses prédécesseurs en titre désignés, le cas échéant, et la date à compter de laquelle le requérant ou ses prédécesseurs l'ont fait connaître au Canada en liaison avec chacune

of goods or services described in the application;

(d) in the case of a trade-mark that is the subject in or for another country of the Union of a registration or an application for registration by the applicant or the applicant's named predecessor in title on which the applicant bases the applicant's right to registration, particulars of the application or registration and, if the trade-mark has neither been used in Canada nor made known in Canada, the name of a country in which the trade-mark has been used by the applicant or the applicant's named predecessor in title, if any, in association with each of the general classes of goods or services described in the application;

(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;

(f) in the case of a certification mark, particulars of the defined standard that the use of the mark is intended to indicate and a statement that the applicant is not engaged in the manufacture, sale, leasing or hiring of goods or the performance of services such as those in association with which the certification mark is used;

des catégories générales de produits ou services décrites dans la demande, ainsi que la manière dont ils l'ont révélée;

d) dans le cas d'une marque de commerce qui est, dans un autre pays de l'Union, ou pour un autre pays de l'Union, l'objet, de la part du requérant ou de son prédécesseur en titre désigné, d'un enregistrement ou d'une demande d'enregistrement sur quoi le requérant fonde son droit à l'enregistrement, les détails de cette demande ou de cet enregistrement et, si la marque n'a été ni employée ni révélée au Canada, le nom d'un pays où le requérant ou son prédécesseur en titre désigné, le cas échéant, l'a employée en liaison avec chacune des catégories générales de produits ou services décrites dans la demande;

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;

f) dans le cas d'une marque de certification, les détails de la norme définie que l'emploi de la marque est destiné à indiquer et une déclaration portant que le requérant ne pratique pas la fabrication, la vente, la location à bail ou le louage de produits ou ne se livre pas à l'exécution de services, tels que ceux pour lesquels la marque de certification

(g) the address of the applicant's principal office or place of business in Canada, if any, and if the applicant has no office or place of business in Canada, the address of his principal office or place of business abroad and the name and address in Canada of a person or firm to whom any notice in respect of the application or registration may be sent, and on whom service of any proceedings in respect of the application or registration may be given or served with the same effect as if they had been given to or served on the applicant or registrant himself;

(h) unless the application is for the registration only of a word or words not depicted in a special form, a drawing of the trade-mark and such number of accurate representations of the trade-mark as may be prescribed; and

(i) a statement that the 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.

est employée;

g) l'adresse du principal bureau ou siège d'affaires du requérant, au Canada, le cas échéant, et si le requérant n'a ni bureau ni siège d'affaires au Canada, l'adresse de son principal bureau ou siège d'affaires à l'étranger et les nom et adresse, au Canada, d'une personne ou firme à qui tout avis concernant la demande ou l'enregistrement peut être envoyé et à qui toute procédure à l'égard de la demande ou de l'enregistrement peut être signifiée avec le même effet que si elle avait été signifiée au requérant ou à l'inscrivant lui-même;

h) sauf si la demande ne vise que l'enregistrement d'un mot ou de mots non décrits en une forme spéciale, un dessin de la marque de commerce, ainsi que le nombre, qui peut être prescrit, de représentations exactes de cette marque

i) une déclaration portant que 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.

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1129-17

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ALL NATURAL BREWING COMPANY LTD.

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DATE OF HEARING: MAY 16, 2018

JUDGMENT AND REASONS: O'REILLY J.

DATED: JUNE 19, 2018

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