

Federal Court



Cour fédérale

Date: 20190108

Docket: T-1728-17

Citation: 2019 FC 16

Ottawa, Ontario, January 8, 2019

PRESENT: The Honourable Mr. Justice Locke

BETWEEN:

ROOTS CORPORATION

Applicant

and

YM INC. (SALES)

Respondent

JUDGMENT AND REASONS

I. Background

[1] This is an application by the applicant, Roots Corporation (Roots), pursuant to subsection 57(1) of the *Trade-marks Act*, RSC 1985, c T-13 [the *Act*] to strike Canadian Trade-Mark Registration No. TMA961,583 from the Register of Trade-marks (the Register). The subject registration is owned by the respondent, YM Inc. (Sales) (YM), and concerns the CABIN FEVER & Design mark shown here:



[2] The CABIN FEVER & Design mark was registered on February 1, 2017, in association with the following goods:

Men's, women's and children's casual, dress, business and athletic clothing; fashion accessories, namely rings, earrings, necklaces, bracelets, scarves, belts, socks, handbags, sunglasses; cold weather accessories, namely mittens, gloves, scarves, hats, toques; footwear, namely shoes, boots, slippers and sandals.

[3] Both of the parties are successful Canadian retailers that focus on clothing and related goods. Roots was founded in 1973 and operates stores under its own name in Canada, the United States and Asia. YM was founded in 1975 and operates stores in Canada under a number of brands, including "Stitches", "Bluenotes", "Sirens", "Suzy Shier", and its flagship banner, "Urban Planet". YM also operates stores in the United States and Israel.

II. Grounds Asserted by Roots

[4] Subsection 57(1) of the *Act* provides as follows:

Exclusive jurisdiction of Federal Court

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

Jurisdiction exclusive de la Cour fédérale

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,

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.

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.

[5] There is no dispute that Roots is an interested person.

[6] Section 18 of the Act provides for circumstances in which a trade-mark registration is deemed invalid:

When registration invalid

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;
- (c) the trade-mark has been abandoned; or
- (d) subject to section 17, the applicant for registration was not the person entitled to secure the registration.

Exception

(2) No registration of a trade-mark that had been so used in Canada by the registrant or his predecessor in title as to have become distinctive at the date of registration shall be held invalid

Quand l'enregistrement est invalide

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;
- c) la marque de commerce a été abandonnée;
- d) sous réserve de l'article 17, l'auteur de la demande n'était pas la personne ayant droit d'obtenir l'enregistrement.

Exception

(2) Nul enregistrement d'une marque de commerce qui était employée au Canada par l'inscrivant ou son prédécesseur en titre, au point d'être devenue distinctive à la date

merely on the ground that evidence of the distinctiveness was not submitted to the competent authority or tribunal before the grant of the registration.

d'enregistrement, ne peut être considéré comme invalide pour la seule raison que la preuve de ce caractère distinctif n'a pas été soumise à l'autorité ou au tribunal compétent avant l'octroi de cet enregistrement.

[7] A registered trade-mark benefits from a presumption of validity. Accordingly, Roots bears the onus of proving its case.

[8] Roots asserts three grounds for striking the CABIN FEVER & Design registration:

- a) Pursuant to paragraph 18(1)(d) of the *Act*, YM was not the person entitled to secure the registration since, at the date of filing of the application (January 13, 2016), it was confusing with a number of Roots' trade-marks that had been previously used and made known in Canada, such confusion being in violation of paragraph 16(3)(a) of the *Act*;
- b) Pursuant to paragraph 18(1)(b) of the *Act*, the trade-mark was not distinctive at the time the proceedings bringing the validity of the registration into question were commenced (November 10, 2017); and
- c) The declaration of use that was filed by YM in order to obtain registration contains material misstatements; specifically it indicates that use of the mark by YM had commenced in Canada in association with all of the goods listed in the registration, whereas use had in fact only commenced in association with some of those goods.

[9] YM disputes all three of the grounds asserted by Roots. These grounds are each discussed in turn later in this decision.

III. Evidence

[10] Each party submitted two affidavits. Roots submitted the affidavit of James Connell (the Connell Affidavit) and the affidavit of Meghan Rourke (the Rourke Affidavit). YM submitted the affidavit of Eric Grundy (the Grundy Affidavit) and the affidavit of Joshua Suttner (the Suttner Affidavit).

[11] Mr. Connell is the Vice-President, E-Commerce and Marketing of Roots. He identified some of Roots' trade-marks and provided information concerning the history and evolution of their use, and the amount of sales and marketing associated therewith. He also provided a broader background on Roots itself.

[12] Ms. Rourke was an articling student with Roots' counsel. Using the Wayback Machine internet archive (the Wayback Machine), she provided information concerning the history of the use of the words CABIN FEVER on the website of Urban Planet between January 2016 and January 17, 2017.

[13] Mr. Grundy is the Chief Executive Officer of YM. He provided a history of YM, and discussed the development of its CABIN FEVER product line and use of the CABIN FEVER & Design mark.

[14] Mr. Suttner was an articling student with YM's counsel. He provided the results of various Google searches for indications of clothing being sold online using the term "cabin". Specific terms used in his searches included "cabin socks", "cabin sweater", and "cabin wear". He also identified books that employ some of these terms. The searches were conducted around December 28, 2017.

[15] Roots has objected to the Suttner Affidavit as inadmissible opinion evidence of counsel on a contentious issue. As discussed later in this decision, I find that the Suttner Affidavit does not contain opinion and is admissible.

IV. Paragraph 18(1)(d)/Paragraph 16(3)(a) – Confusion with Roots’ Trade-Marks on January 13, 2016

[16] Roots relies on use of the following trade-marks:

- a) CABIN word mark;
- b) CABIN COLLECTION word mark;
- c) ROOTS CABIN word mark (this mark is the subject of Canadian Trade-mark Application No. 1,665,629 which was filed on February 27, 2014, advertised on November 26, 2014, and allowed on March 13, 2015, but not yet registered);
- d) ROOTS CABIN COLLECTION word mark;
- e) Early CABIN Design, as shown in the following sock wrapper design:



- f) Later CABIN Design, as shown here alone and in a sock wrapper design:



[17] The Later CABIN Design has also been used in the following designs for hang tags and clothing labels:



[18] These designs incorporate the ROOTS CABIN and ROOTS CABIN COLLECTION word marks.

[19] I am satisfied that the Connell Affidavit establishes extensive use of the Early CABIN Design and the Later CABIN Design since about 2011 in association with clothing and other goods. Originally, the Early CABIN Design was used in association with socks only. This was continued and expanded to other goods around 2014 using the Later CABIN Design. I am also satisfied that Roots has used the ROOTS CABIN and ROOTS CABIN COLLECTION word marks since around 2014.

[20] I reach a different conclusion with regard to the CABIN and CABIN COLLECTION word marks. Based on the evidence, it appears that CABIN COLLECTION, when used as a trade-mark, has always been used as part of ROOTS CABIN COLLECTION. I am not convinced that CABIN COLLECTION has been used as a trade-mark itself.

[21] With regard to CABIN, its use in the sock wrapper design with the Later CABIN Design is as part of ROOTS CABIN. Again, I am not convinced that CABIN has been used as a trade-mark itself.

[22] With regard to the word “cabin” used in the sock wrapper design with the Early CABIN Design, it is used with the word “sock”, and appears to simply identify the goods for sale as cabin socks. The idea that the word “cabin” is used to identify a type of sock or other clothing is supported by the search results provided in the Suttner Affidavit. Paragraphs 6 and 11 thereof identify a number of third party retailers that, around December 28, 2017, at least, offered products identified as cabin socks or cabin sweaters. Paragraphs 7 and 14 of the Suttner Affidavit identify books that use the terms “cabin socks” or “cabin wear” generically.

[23] Roots attacks the Suttner Affidavit on a number of grounds. First, as indicated above, Roots argues that it provides opinion evidence of counsel on a contentious issue, and is therefore inadmissible. Roots cites the fact that Mr. Suttner excluded references to Roots in his search results, even those that appeared on the first page of results. In my view, this was not an indication of Mr. Suttner exercising any judgment or discretion in his search. Based on YM’s argument, it is clear that the Suttner Affidavit is intended to show that parties other than Roots and YM used the terms “cabin socks”, “cabin sweater” and “cabin wear” generically. Excluding search results concerning Roots was consistent with this purpose. I am satisfied that the search results presented in the Suttner Affidavit are objective and reliable. In my view, the evidence in the Suttner Affidavit is admissible.

[24] Another attack by Roots on the Suttner Affidavit is that it provides information dated around December 28, 2017; it does not provide information as to the state of things on January 13, 2016 (which is relevant to this first issue concerning paragraph 18(1)(d) of the *Act*) or November 10, 2017 (which, as will be discussed below, is relevant to the second issue concerning paragraph 18(1)(b) of the *Act*). Roots notes that, in cross-examination, Mr. Suttner acknowledged that he visited the Wayback Machine during his investigation, but had no

explanation for not providing any information therefrom that could have provided information about the state of the marketplace closer to the relevant dates.

[25] I agree that evidence relating to a time closer to the relevant dates might have been preferable. However, I have heard nothing that convinces me that the state of the marketplace, including the use of the terms “cabin socks”, “cabin sweater” and “cabin wear”, changed significantly between the relevant dates and late December 2017. This is especially so in respect of the November 10, 2017 relevant date for the second issue in dispute, which was only a few weeks earlier.

[26] Yet another attack by Roots on the Suttner Affidavit is that it provides no confirmation that the products identified were actually available for sale in Canada. In cross-examination, Mr. Suttner acknowledged that he made no verification in this regard, and did not attempt to purchase any of the products identified in his searches.

[27] Despite the absence of evidence of a sale in Canada, I am satisfied that the Suttner Affidavit establishes that the word “cabin” was used by others generically to describe a type (or style or fashion or trend) of clothing. Moreover, at least some of the retailers identified by Mr. Suttner appear to be based in Canada. In my view, it is more likely than not that at least some of the products identified in the Suttner Affidavit were indeed available for sale in Canada. As with the question of the dates, evidence of actual sales (or at least availability for sale) in Canada might have been preferable, but I have heard nothing that causes me to doubt that the word “cabin” was used generically even as early as January 13, 2016.

A. *Legal Framework for Confusion Analysis*

[28] Having considered some of the evidence, I turn now to the key legal question on this issue, which is whether the CABIN FEVER & Design mark was confusing with any of the asserted Roots trade-marks on January 13, 2016.

[29] The parties agree on the legal test for confusion. The starting point is section 6 of the *Act*:

When mark or name confusing

6 (1) For the purposes of this Act, a trade-mark or trade-name is confusing with another trade-mark or trade-name if the use of the first mentioned trade-mark or trade-name would cause confusion with the last mentioned trade-mark or trade-name in the manner and circumstances described in this section.

Idem

(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.

Quand une marque ou un nom crée de la confusion

6 (1) Pour l'application de la présente loi, une marque de commerce ou un nom commercial crée de la confusion avec une autre marque de commerce ou un autre nom commercial si l'emploi de la marque de commerce ou du nom commercial en premier lieu mentionnés cause de la confusion avec la marque de commerce ou le nom commercial en dernier lieu mentionnés, de la manière et dans les circonstances décrites au présent article.

Idem

(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

Idem

(3) The use of a trade-mark causes confusion with a trade-name if the use of both the trade-mark and trade-name in the same area would be likely to lead to the inference that the goods or services associated with the trade-mark and those associated with the business carried on under the trade-name are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

Idem

(4) The use of a trade-name causes confusion with a trade-mark if the use of both the trade-name and trade-mark in the same area would be likely to lead to the inference that the goods or services associated with the business carried on under the trade-name and those associated with the trade-mark are manufactured, sold, leased, hired or performed by the same person, whether or not the goods or services are of the same general class.

What to be considered

(5) In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be,

catégorie générale.

Idem

(3) L'emploi d'une marque de commerce crée de la confusion avec un nom commercial, lorsque l'emploi des deux dans la même région serait susceptible de faire conclure que les produits liés à cette marque et les produits liés à l'entreprise poursuivie sous ce nom sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à cette marque et les services liés à l'entreprise poursuivie sous ce nom sont loués ou exécutés, par la même personne, que ces produits ou services soient ou non de la même catégorie générale.

Idem

(4) L'emploi d'un nom commercial crée de la confusion avec une marque de commerce, lorsque l'emploi des deux dans la même région serait susceptible de faire conclure que les produits liés à l'entreprise poursuivie sous ce nom et les produits liés à cette marque sont fabriqués, vendus, donnés à bail ou loués, ou que les services liés à l'entreprise poursuivie sous ce nom et les services liés à cette marque sont loués ou exécutés, par la même personne, que ces produits ou services soient ou non de la même catégorie générale.

Éléments d'appréciation

(5) En décidant si des marques de commerce ou des noms commerciaux créent de la confusion, le tribunal ou le

shall have regard to all the surrounding circumstances including

- (a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
- (b) the length of time the trade-marks or trade-names have been in use;
- (c) the nature of the 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.

registraire, selon le cas, tient compte de toutes les circonstances de l'espèce, y compris :

- a) le caractère distinctif inhérent des marques de commerce ou noms commerciaux, et la mesure dans laquelle ils sont devenus connus;
- b) la période pendant laquelle les marques de commerce ou noms commerciaux ont été en usage;
- c) le genre de produits, services ou entreprises;
- d) la nature du commerce;
- e) le degré de ressemblance entre les marques de commerce ou les noms commerciaux dans la présentation ou le son, ou dans les idées qu'ils suggèrent.

[30] The Supreme Court of Canada provided some guidance on the application of subsection

6(5) of the *Act* in *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at para 49

[*Masterpiece*]:

In applying the s. 6(5) factors to the question of confusion, the trial judge conducted his analysis in the order of the criteria set forth in s. 6(5), concluding with a consideration of the resemblance between the marks. While it is no error of law to do so, the degree of resemblance, although the last factor listed in s. 6(5), is the statutory factor that is often likely to have the greatest effect on the confusion analysis (K. Gill and R. S. Jolliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition* (4th ed. (loose-leaf)), at p. 8-54; R. T. Hughes and T. P. Ashton, *Hughes on Trade Marks* (2nd ed. (loose-leaf)), at §74, p. 939). As Professor Vaver points

out, if the marks or names do not resemble one another, it is unlikely that even a strong finding on the remaining factors would lead to a likelihood of confusion. The other factors become significant only once the marks are found to be identical or very similar (Vaver, at p. 532). As a result, it has been suggested that a consideration of resemblance is where most confusion analyses should start (*ibid.*).

[31] Pursuant to this guidance, I will begin my confusion analysis by considering the degree of resemblance of the marks in issue.

[32] The Supreme Court of Canada in *Masterpiece* at para 40 also quoted the following guidance from *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23 at para 20, concerning the analysis of confusion:

The test to be applied 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 marks.

[33] The Supreme Court of Canada in *Ultravite Laboratories Ltd v Whitehall Laboratories Ltd*, [1965] SCR 734 at 737, adopted the following passage from *Sealy Sleep Products Ltd v Simpson's-Sears Ltd* (1960), 33 CPR 129 at 136 (Ex Ct):

... It is not a proper approach to the determination of whether one trade mark is confusing with another to break them up into their elements, concentrate attention upon the elements that are similar and conclude that, because there are similarities in the trade marks, the trade marks as a whole are confusing with another. Trade marks may be different from one another and, therefore, not confusing with one another when looked at in their totality, even if there are similarities [*sic*] in some of the elements when viewed separately. It is the combination of the elements that constitutes the trade mark and it is the effect of the trade mark as a whole, rather than that of any particular part in it, that must be considered.

B. *Paragraph 6(5)(e): Degree of Resemblance*

[34] Before considering the question of the degree of resemblance, it is necessary to recall which of the marks asserted by Roots are actually in issue. Per the discussion above, I recognize ROOTS CABIN and ROOTS CABIN COLLECTION, as well as the Early and Later CABIN Designs as trade-marks used and made known by Roots. These are referred to hereinafter as the Roots CABIN Marks. However, neither CABIN nor CABIN COLLECTION should be considered in determining the degree of resemblance because I am not convinced that they have been used as trade-marks.

[35] There are similarities and differences between the Roots CABIN Marks and YM's CABIN FEVER & Design mark. However, the similarities are mainly in the word "cabin" and the use of an image of a cabin surrounded by trees. In fact, the cabin image itself used in YM's CABIN FEVER & Design mark is not particularly similar to either of the cabin images used by Roots. The choice to employ an image of a cabin is no more distinctive than the choice to employ the word "cabin". I have the same view as regards the trees surrounding the cabin. The word "cabin" suggests a small house in the woods, and trees are inherent in such an environment. It is not distinctive to incorporate trees in an image of a cabin.

[36] Accordingly, I find the degree of resemblance between the Roots CABIN Marks and YM's CABIN FEVER & Design mark to be low. This strongly favours a conclusion that the CABIN FEVER & Design mark was not confusing with the Roots CABIN Marks as of January 13, 2016.

C. *Paragraph 6(5)(a): Inherent Distinctiveness and Extent of Making Known*

[37] Above, I have discussed the Suttner Affidavit which provides evidence of generic use of the word “cabin” in association with certain kinds of clothing items. It follows from this that CABIN has little inherent distinctiveness as a trade-mark. Since the word “collection” adds little distinctiveness, CABIN COLLECTION also has little inherent distinctiveness as a trade-mark.

[38] I accept that ROOTS CABIN and ROOTS CABIN COLLECTION have inherent distinctiveness by virtue of the addition of the word “Roots”. The same is true of the particular cabin designs shown in the Early and Later CABIN Designs and the various wrappers, tags and labels in which such designs appear.

[39] I also accept that these inherently distinctive marks (the Roots CABIN Marks) have been made well-known by Roots by extensive use.

[40] YM’s CABIN FEVER & Design mark also includes elements that have inherent distinctiveness. As with the Roots CABIN Marks, the word “cabin” and the choice to employ the image of a cabin and trees are not inherently distinctive. However, the particular cabin design used by YM is somewhat inherently distinctive, as is the term “cabin fever”. I recognize that Roots submitted evidence of use of the term “cabin fever” as part of the promotion of a sale in late 2011/early 2012. However, it is not clear that that term was used as a trade-mark. Also, there is no evidence that Roots has used the term since then.

[41] YM’s evidence of the extent of making known of its CABIN FEVER & Design mark is weak and imprecise. Rather than providing any direct evidence of sales in Canada in association with this mark, YM limited itself to providing evidence of specification sheets, photographs and

orders for items to be sold in association with the mark, and the statements in the Grundy Affidavit that “YM is typically able to sell all or virtually all of the inventory it orders”, and that “a significant percentage of these sales were to customers located within Canada”. In cross-examination, Mr. Grundy was not able to date YM’s first use of its CABIN FEVER & Design mark any more precisely than “either in fall 2015/winter 2016 or else later in 2016”. The fact that YM’s application to register the CABIN FEVER & Design mark was filed on January 13, 2016, based on proposed use suggests that use had not yet begun at that date.

[42] In my view, the best evidence of actual sales by YM in association with the CABIN FEVER & Design mark is in the Rourke Affidavit. Ms. Rourke’s searches using the Wayback Machine reveal no use of the term “cabin fever” on the Urban Planet website until September 29, 2016. As of that date, the Wayback Machine reveals use of the CABIN FEVER & Design mark on the Urban Planet website. In my view, it is reasonable to infer that sales of goods bearing that mark began around then. I note that this is several months after the relevant date of January 13, 2016.

[43] My conclusion is that the factor of inherent distinctiveness and extent of making known favours Roots.

D. *Paragraph 6(5)(b): Length of Time in Use*

[44] Though the Early CABIN Design was used from about 2011, this design was only ever used in association with socks and is no longer in use, having been replaced by the Later CABIN Design. Use of the Later CABIN Design began only around 2014. YM argues that the Early CABIN Design should be considered to have been abandoned, and therefore 2014 should mark the beginning of use of the Roots’ trade-marks in issue.

[45] Roots argues that the Later CABIN Design is simply an evolution of the Early CABIN Design, and therefore the length of time of use of the CABIN Designs should be determined based on 2011.

[46] In my view, it is not necessary to determine the effective date of first use of the CABIN Designs. First, I have already stated my view that the choice to use an image of a cabin is no more distinctive than the choice to use the word “cabin”. Secondly, both 2011 and 2014 pre-date any demonstrated use of the CABIN FEVER & Design mark. I have found that September 2016 is most likely the time of the first use of the CABIN FEVER & Design mark, and this is later than the relevant date for confusion under this issue.

[47] In my view, the length of time of use favours Roots.

E. *Paragraph 6(5)(c): Nature of the Goods, Paragraph 6(5)(d): Nature of the Trade*

[48] Many of the parties’ respective goods in issue are the same, as is the nature of the trade. While YM notes that Roots focuses on “high-quality clothing” whereas YM focuses on “value-driven apparel”, it is my view that, despite this difference, the factors of nature of the goods and nature of the trade favour a finding of confusion.

F. *Other Surrounding Circumstances*

[49] Roots argues that YM deliberately copied the Roots CABIN Marks, and that this is a surrounding circumstance favouring Roots. Among other things, Roots points to an internal YM worksheet which refers to one of its Cabin Fever products as being “Roots inspired”. YM counters that intent to copy is not relevant to the question of confusion: *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 90.

[50] In oral argument, Roots' counsel acknowledged that copying is not, as such, directly relevant to the issue of confusion. However, Roots argues that YM's copying is relevant to the importance of the Roots CABIN Marks on the market, and that this importance on the market is indicative of the extent of making known of the Roots CABIN Marks, which is a consideration in determining confusion per paragraph 6(5)(a) of the *Act*.

[51] Since I have already accepted that the Roots CABIN Marks were made well-known by extensive use, the issue of deliberate copying can only confirm this conclusion. It is not relevant as a surrounding circumstance.

[52] For its part, YM argues that the absence of any evidence of actual confusion during the time that both parties' marks have been on the market is a surrounding circumstance that points away from confusion. I give this circumstance no weight to the issue of confusion under paragraph 16(3)(a) of the *Act* because, as indicated above, it is my view that sales by YM using its CABIN FEVER & Design mark likely began only around September 29, 2016, after the relevant date.

G. *Conclusion on Confusion with Roots' Trade-Marks on January 13, 2016*

[53] Despite the commonality in the nature of the goods in issue and the nature of the trade, and despite Roots' presence on the market with the Roots CABIN Marks before the relevant date, it is my view that the low degree of resemblance of the CABIN FEVER & Design mark and the Roots CABIN Marks overrides these other factors.

[54] I conclude that the CABIN FEVER & Design mark was not confusing with any of the Roots CABIN Marks at the date the application to register the former mark was filed, and hence the registration thereof is not invalid pursuant to paragraph 18(1)(d) of the *Act*.

V. Paragraph 18(1)(b) – Distinctiveness on November 10, 2017

[55] Paragraph 18(1)(b) of the *Act* provides that a trade-mark registration is invalid if it is not distinctive upon commencement of proceedings bringing its validity into question, here November 10, 2017. The word “distinctive” is defined as follows in section 2 of the *Act*:

distinctive, in relation to a trade-mark, means a trade-mark that actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others or is adapted so to distinguish them;
(*distinctive*)

distinctive Relativement à une marque de commerce, celle qui distingue véritablement les produits ou services en liaison avec lesquels elle est employée par son propriétaire, des produits ou services d’autres propriétaires, ou qui est adaptée à les distinguer ainsi.
(*distinctive*)

[56] The parties agree that there are three conditions for distinctiveness:

- a) The mark and the goods must be associated;
- b) The owner of the mark must use this association in manufacturing and selling the goods;
and
- c) This association must enable the owner of the mark to distinguish its product from that of others. (*Philip Morris Incorporated v Imperial Tobacco Ltd* (1985), 7 CPR (3d) 254 at 270 (FCTD); *Nature’s Path Foods Inc v Quaker Oats Co of Canada*, 2001 FCT 366 at para 40; *Bodum USA, Inc v Meyer Housewares Canada Inc*, 2012 FC 1450 at para 14)

[57] The parties also agree that Roots bears the onus of proving that at least one of these conditions is not met.

[58] I am satisfied that the first two conditions for distinctiveness are met. The CABIN FEVER & Design mark is clearly associated with YM's products, and this association is used in manufacturing and selling these products. I have concluded above that sales of these products likely began around September 29, 2016.

[59] The real dispute concerns the third condition. Roots argues that the CABIN FEVER & Design mark lacked distinctiveness on November 10, 2017, because it was confusing with the Roots CABIN Marks, which marks were distinctive of Roots.

[60] The confusion analysis to be conducted here is similar to that conducted in the context of paragraph 18(1)(d) of the *Act*, except that the relevant date is roughly 22 months later. Instead of repeating the whole confusion analysis here, I will consider evidence of factors that may have changed 22 months later.

[61] Roots does not suggest that there are any factors that indicate confusion on November 10, 2017, any more than on January 13, 2016.

[62] On the other hand, it is my view that YM's presence on the market for some 13 months or so by November 10, 2017, is a fact that further supports my conclusion that there is no confusion. First, the factor of inherent distinctiveness and extent of making known no longer favours Roots since both parties' marks have some inherent distinctiveness, and by that later date these marks had coexisted on the market for some time. Also, this period of coexistence without any evidence of actual confusion suggests the absence of confusion.

[63] I conclude that the CABIN FEVER & Design mark was not confusing with the Roots CABIN Marks on November 10, 2017, and that the CABIN FEVER & Design mark did not lack distinctiveness at the date of commencement of the present proceedings.

VI. Material Misstatement

[64] The application to register the CABIN FEVER & Design mark was based on proposed use. Accordingly, in order to obtain the registration, YM filed a declaration indicating that use of the mark had begun in association with all of the goods listed in the trade-mark application. YM now acknowledges that this declaration was false. It appears that the mark has never been used in association with most of the listed goods. The goods listed in the declaration of use, and also in the registration are as follows:

Men's, women's and children's casual, dress, business and athletic clothing; fashion accessories, namely rings, earrings, necklaces, bracelets, scarves, belts, socks, handbags, sunglasses; cold weather accessories, namely mittens, gloves, scarves, hats, toques; footwear, namely shoes, boots, slippers and sandals.

[65] YM now asserts use in association with only the following goods:

- a) Men's, women's and children's casual and athletic clothing
- b) Scarves
- c) Socks
- d) Mittens, gloves
- e) Scarves
- f) Hats, toques

[66] Roots argues that YM's false declaration amounts to a material misrepresentation (misstatement) which results in the registration being void *ab initio*. Roots relies mainly on *Unitel Communications Inc v Bell Canada* (1995), 61 CPR (3d) 12, [1995] FCJ No 613 (QL) (FCTD) [*Unitel*] to support its position. At page 54 (para 131 on QL), the Court stated:

I conclude that neither fraud nor intent to deceive is a necessary element where an application for registration of a trademark and a declaration of use in Canada both contain material false statements. The statement of intent to use contained in the applications for registration of the trade-marks here at issue and the declarations of use were simply false, whatever the intent and understanding of the applicant for registration might have been. Further, the statement of intent in the application and the declaration of use were both fundamental to the registration of the trade-marks. As in the *T-FAL* case quoted above, I conclude that the registrations of the marks CALLING CARD and CARTE D'APPEL were void *ab initio*.

[67] YM submits that the false declaration in issue does not amount to a material misstatement, and does not result in the registration being void. YM argues that, since the mark was used in association with some of listed goods, it cannot be said that the misstatement was "fundamental to the registration, in the sense that the registration could not have been secured without the misstatement" (see *Coors Brewing Company v Anheuser-Busch, LLC*, 2014 FC 716 at para 38). YM could have obtained its registration without the misstatement. YM distinguishes *Unitel* by noting that there was no proof in that case of any use at all of the marks in issue. YM relies on *Parfums de Coeur Ltd v Asta*, 2009 FC 21 [*Parfums de Coeur*], in which the registration in question was found not to be void despite a similar misstatement as to the extent of use of listed goods.

[68] In my view, a misstatement of the kind acknowledged in the present case must be considered to be material. The misstatement was clearly essential to YM obtaining registration of the CABIN FEVER & Design mark listing a number of goods in association with which that

mark was never used. Without this misstatement, the mark would not have been registered. If this misstatement is not considered material, and with no evidence of fraud or intent to deceive, the Court would be left without means to address the acknowledged inaccuracy on the Register. In my view, *Parfums de Coeur* is distinguishable on the basis that the owner of the registration in that case had amended the registration in question before the court proceedings had begun. The problem with the state of the Registry had already been addressed in that case. That is not so here.

[69] At a minimum, the Court must be able to correct the inaccuracies on the Register in this case. Both parties acknowledge that if I do not agree with their initial position on this issue (either that the registration should be struck in its entirety, or that it should be left unchanged), then I should amend the CABIN FEVER & Design registration to remove the goods that are not in use. In my view, I have the discretion to do so by virtue of subsection 57(1) of the *Act* which contemplates either striking out or amending an entry on the Register that “does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.”

[70] Since it is clear that the CABIN FEVER & Design registration does not accurately define YM’s existing rights (because the registration encompasses goods that YM has never sold in association with the mark), I do not wish to leave the Register unchanged. Also, since I am satisfied that YM has indeed used the mark in association with several of the goods listed in the registration, I am not inclined to strike the registration in its entirety.

[71] I find that the declaration of use did indeed contain a material misstatement, and I will exercise my discretion to amend the Register to remove any goods which have not been shown to have been sold with the CABIN FEVER & Design mark.

VII. Conclusion

[72] The registration of the CABIN FEVER & Design mark is not invalid pursuant to either paragraph 18(1)(d) or 18(1)(b) of the *Act*. However, it lists goods that should not be included because the mark has not been used in association with such goods.

[73] The application to strike the CABIN FEVER & Design registration will be dismissed, but the Register will be ordered amended to correct the inaccuracy.

[74] In view of the divided success in this application, there will be no award of costs.

JUDGMENT in T-1728-17

THIS COURT'S JUDGMENT is that:

1. The application to strike Canadian Trade-Mark Registration No. TMA961,583 from the Register of Trade-marks is dismissed.

2. The list of goods identified in Canadian Trade-Mark Registration No. TMA961,583 shall be amended as follows:

Men's, women's and children's casual, ~~dress, business~~ and athletic clothing; fashion accessories, namely ~~rings, earrings, necklaces, bracelets,~~ scarves, belts, socks, ~~handbags, sunglasses;~~ cold weather accessories, namely mittens, gloves, scarves, hats, toques; ~~footwear, namely shoes, boots, slippers and sandals.~~

3. Each party shall bear its own costs.

“George R. Locke”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1728-17

STYLE OF CAUSE: ROOTS CORPORATION v YM INC. (SALES)

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: DECEMBER 10, 2018

JUDGMENT AND REASONS: LOCKE J.

DATED: JANUARY 8, 2019

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