

Federal Court



Cour fédérale

Date: 20190610

Docket: T-380-17

Citation: 2019 FC 795

Ottawa, Ontario, June 10, 2019

PRESENT: Mr. Justice Manson

BETWEEN:

AIL INTERNATIONAL INC

Applicant

and

CANADIAN ENERGY SERVICES LP

Respondent

JUDGMENT AND REASONS

I. Introduction

[1] This is an appeal under section 56 of the *Trade-marks Act*, RSC 1985, c T-13 [the Act] by the Applicant, AIL International Inc. [AIL] from a decision by the Registrar of Trade-marks [the Registrar] dated January 16, 2017. The Registrar rejected AIL's opposition to the registration of the trademark SUPERCORR by the Respondent, Canadian Energy Services L.P. [CES].

II. Background

[2] AIL is the owner of the registration for the trademark SUPER-COR [the SUPER-COR Mark] (TMA477172) covering “corrugated drain pipe”.

[3] In the early 1990’s, AIL and its affiliates under licence developed and launched products and services promoted and sold in association with the SUPER-COR Mark, consisting of:

(i) deep corrugated steel pipe and related hardware and anti-corrosive galvanized pipe coatings [the SUPER-COR Goods]; and

(ii) engineering, design, project management and site assistance services related to the SUPER-COR Goods [the SUPER-COR Services].

[collectively, the SUPER-COR Goods and Services]

[4] CES is a publicly traded company that has two core businesses, drilling fluids, and production and speciality chemicals, which together represent over 90 percent of CES’s revenue stream.

[5] On April 25, 2013, CES filed a trademark application to register the trademark SUPERCORR [the SUPERCORR Mark], under application 1,624,178 [the SUPERCORR Application]. The SUPERCORR Application covers the following goods:

corrosion inhibitor in the nature of a protective coating for use in the petroleum extraction, water injection, and petroleum and chemical processing and transmission fields.

[the SUPERCORR Goods]

[6] The SUPERCORR Application was based on registration and use in the United States of America by CES and Jacam Chemicals LLC, a predecessor in title. It was advertised for opposition on November 12, 2014.

[7] On March 23, 2015, AIL filed a Statement of Opposition opposing the SUPERCORR Application.

[8] AIL filed the affidavit of Wayne Ford, Vice President of Engineering Services at a company affiliated with AIL, sworn August 24, 2015 [the Ford Affidavit], which included, among other things:

(i) a statement that AIL has used the SUPER-COR Mark in Canada in association with engineering design, construction, project management and consulting services in the fields of bridge construction, mining, forestry, public works and railways since at least 2008;

(ii) a statement that AIL has used the SUPER-COR Mark in association with deep corrugated structural steel plates for large infrastructure applications, such as bridges, tunnels, box culverts, stockpile tunnels, portals, road underpasses and heavy haul road arches since at least 1997;

(iii) a statement that, in a typical transaction, due to the complexity of projects, the SUPER-COR Goods and the SUPER-COR Services are offered as a package, and the SUPER-COR Goods are often customised for individual projects;

(iv) sales brochures and invoices containing the SUPER-COR Mark and relating to structural steel plates intended for infrastructure projects;

(v) sales brochures and invoices depicting AIL's engineering and consulting services in association with the SUPER-COR Goods; and

(vi) sales figures for the SUPER-COR Goods between 2008 and 2015.

[9] CES filed the affidavit of Craig Nieboer, Chief Financial Officer at CES, sworn December 22, 2015 [the 2015 Nieboer Affidavit], evidencing, among other things:

(i) on March 1, 2013, CES purchased the assets of the “JACAM entities” [the Jacam entities, or Jacam], including ownership of the SUPERCORR Mark;

(ii) CES and the Jacam entities entered into a licensing agreement, wherein the Jacam entities were granted the right to produce and sell the SUPERCORR Goods and use the SUPERCORR Mark in Canada;

(iii) a sample invoice for sales of the SUPERCORR Goods by Jacam Manufacturing 2013 LLC;

(iv) a statement that the SUPERCORR Mark has been used by CES, its PureChem division, and the Jacam entities in association with a binary corrosion inhibitor product, which is in the nature of a protective coating for use in the petroleum extraction, water injection, and petroleum and chemical processing and transmission fields; and

(v) a sample brochure from CES’s PureChem division, advertising the SUPERCORR Goods.

[10] AIL did not file reply evidence. Neither affiant was cross-examined.

III. Decision Under Review

[11] On December 7, 2016, the parties attended an oral hearing before the Registrar.

[12] On January 16, 2017, the Registrar rejected AIL’s opposition on the basis that the SUPERCORR Mark and the SUPER-COR Mark were not confusing [the Decision].

[13] The Registrar first rejected three arguments of alleged non-compliance with section 30 of the Act. AIL does not dispute these findings on appeal.

[14] The Registrar then considered the issue of confusion between the applied-for mark SUPERCORR and AIL's SUPER-COR Mark, and reviewed the five factors listed in subsection 6(5) of the Act:

(a) inherent and acquired distinctiveness: The Registrar found that both marks possessed little inherent distinctiveness. The Registrar found that AIL's SUPER-COR Mark had acquired some degree of distinctiveness owing to AIL's sales under its mark and promotion of its mark since 2008, but noted that it was difficult to quantify the acquired distinctiveness due to the general nature of the AIL's evidence, particularly the lack of information regarding whether the reported annual sales were the result of just a few, or many, engineering projects. The Registrar was unable to ascribe any acquired distinctiveness to CES's SUPERCORR Mark because of a lack of evidence of use, in particular the lack of evidence that the licensing agreement between Jacam and CES provided for CES to have control over the quality of Jacam's products (per subsection 50(1) of the Act), as well as the lack of evidence that public notice was given of either Jacam's license or of the CES's ownership of the SUPERCORR Mark (per subsection 50(2) of the Act). The Registrar concluded that the first factor favoured AIL, but not significantly.

(b) length of time the marks have been in use: The Registrar found that AIL had evidenced the use of the SUPER-COR Mark since 2008, and that CES had not established use of the SUPERCORR Mark in Canada at any material time. The Registrar concluded that this factor favoured AIL.

(c & d) nature of the goods, business and trade: The Registrar found that AIL's evidence established that they operated in a number of construction-related fields, and had sophisticated clients who purchased customized solutions for tunnels and bridges. However, there was no evidence that AIL operated or sold goods and services to the oil and gas industry. The Registrar found that the evidence of CES established that they operated "exclusively in the oil and gas industry and specifically in drilling." The Registrar concluded that there was no evidence that the nature of the goods and services or the nature of the trade of the two parties would in

any way overlap. As a result, the Registrar found that the third and fourth factors significantly favoured CES.

(e) degree of resemblance: The Registrar found that the parties' marks resembled each other to a very high degree, and concluded that the fifth factor favoured AIL very significantly.

[15] The Registrar concluded that at all material times the applied-for SUPERCORR Mark was not confusing with AIL's SUPER-COR Mark, and therefore rejected AIL's opposition [the Decision].

[16] On March 26, 2017, AIL filed a Notice of Application for review of the Decision.

IV. Issues

[17] The issues are:

- (i) What is the appropriate standard of review?
- (ii) Is the SUPERCORR Mark likely to be confusing with AIL's SUPER-COR Mark?
- (iii) Did the Registrar err by rejecting AIL's arguments in relation to subsection 16(2) and section 2 of the Act?

V. Analysis

A. *What is the appropriate standard of review?*

[18] Subsection 56(5) of the Act allows the parties to adduce new evidence before this Court:

(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.

[19] The standard of review for a decision of the Registrar is generally reasonableness. However, where new evidence is adduced in this Court which would have materially affected the Registrar's findings of fact or exercise of discretion, this Court must come to its own conclusion as to the correctness of the Registrar's decision (*Molson Breweries v John Labatt Ltd*, [2000] 3 FC 145 at para 51 (FCA), Rothstein JA, leave to appeal to SCC refused, [2000] 2 SCR xi [*Molson Breweries*]).

[20] In *Seara Alimentos Ltda v Amira Enterprises Inc*, 2019 FCA 63 at paragraph 25 [*Seara*], Justice Gauthier recently stated the fundamental question that must be answered by this Court:

[25] The question is thus: could this new evidence, because of its significance and probative value, have had a bearing on a finding of fact or the exercise of discretion of the TMOB? In other words – in the context of the confusion analysis in this case – could this evidence lead to a different conclusion in respect of one or more of the factors set out in subsection 6(5) of the Act and the balancing underpinning the conclusion as to whether confusion was likely?

[Emphasis added.]

[21] The materiality assessment is a preliminary assessment of the new evidence on appeal to determine if this Court will have to reassess the evidence on a given issue; it does not involve a determination of whether the new evidence would ultimately change the result or outcome (*Seara*, above at para 23). In other words, it does not necessarily follow from finding new evidence material that this Court cannot come to the same conclusion as the Registrar.

[22] Before this Court, AIL has put forward the affidavit of Stephen MacKinnon, Vice President at a corporate affiliate of AIL, sworn August 21, 2017 [the MacKinnon Affidavit]. Mr. MacKinnon was not cross-examined. CES has put forward a second affidavit by

Mr. Nieboer, sworn October 13, 2017 [the 2017 Nieboer Affidavit]. Mr. Nieboer was cross-examined on this affidavit.

[23] AIL argues that the new evidence materially affects certain factors in the subsection 6(5) confusion analysis, and therefore that I must undertake a *de novo* determination of the likelihood of confusion. My review and analysis is as follows.

(1) Inherent and acquired distinctiveness

[24] As outlined above, the Registrar accorded some degree of acquired distinctiveness to the SUPER-COR Mark, owing to AIL's sales under its mark and promotion of its mark since 2008. However, the Registrar noted that it was difficult to quantify the SUPER-COR Mark's acquired distinctiveness, due to the lack of information regarding whether AIL's reported annual sales were the result of just a few, or numerous, engineering projects.

[25] The MacKinnon Affidavit includes evidence of sales in the Canadian oil and gas industry since 2004. This evidence both extends to an earlier period than was before the Registrar, and also includes detail regarding annual sales that was not before the Registrar.

[26] I note that the MacKinnon Affidavit also includes evidence of AIL's unique customers and individual projects dating back to 1990, as well as evidence of annual gross revenues and advertising expenditures dating back to 2001. However, given the nature of the SUPERCORR Application, and the goods listed therein, the focus of this analysis is on use in the oil and gas industry.

[27] The Registrar considered the evidence put forward by CES in the 2015 Nieboer Affidavit, but found they were unable to ascribe any acquired distinctiveness to CES's SUPERCORR Mark because of a lack of evidence of use. In particular, the Registrar noted the lack of evidence that the licensing agreement between Jacam and CES provided for CES to have control over the quality of Jacam's products (per subsection 50(1) of the Act), as well as the lack of evidence that public notice was given of either Jacam's license or of the CES's ownership of the SUPERCORR Mark (per subsection 50(2) of the Act).

[28] The 2017 Nieboer Affidavit contains the licensing agreement between the Jacam entities and CES, which contains a provision that CES is to have control over the quality of Jacam's products. It also exhibits evidence of public notice.

[29] Although the licensing agreement has an "effective date" of March 1, 2013, Mr. Nieboer clarified in cross-examination that the agreement was drafted in early October 2017. However, Mr. Nieboer went on to state that the licensing agreement was simply formalizing an arrangement between CES and the Jacam entities that had been in place since March 1, 2013.

[30] As a result, the evidence of CES now demonstrates effective use of the SUPERCORR Mark by the Jacam entities under licence from CES since March 1, 2013.

[31] CES also submits that as a result of the certified copy of the United States registration for the SUPERCORR Mark, which the Registrar acknowledged indicated first use of the SUPERCORR Mark by Jacam in 1998, use of the SUPERCORR Mark by Jacam since 1998

should inure to CES. However, as this registration is not before the Court, there is no basis to support this finding. In any event, this issue does not affect the outcome of this decision.

[32] In the Decision, the Registrar concluded that the paragraph 6(5)(a) factor, inherent and acquired distinctiveness, favoured AIL, but not significantly. As outlined in *Seara*, the question before this Court is whether this new evidence could lead to a different conclusion in respect of one or more of the factors set out in subsection 6(5) of the Act and the balancing underpinning the conclusion as to whether confusion was likely.

[33] I find that the new evidence submitted regarding acquired distinctiveness could have affected the Registrar's conclusion regarding paragraph 6(5)(a) of the Act, as each party has put forward evidence which addresses specific evidentiary gaps highlighted by the Registrar.

(2) Length of time the marks have been in use

[34] The Registrar found that AIL had evidenced use since 2008, that CES had not evidenced use in Canada at any material time, and therefore that this factor favoured AIL. As discussed above, before this Court each party has bolstered its evidence on the length of time their marks have been in use. AIL has now evidenced use of the SUPER-COR Mark in the Canadian oil and gas industry since 2004, while CES has evidenced use of the SUPERCORR Mark since 2013.

[35] While each party has bolstered their evidence of use, I find that on balance the new evidence is not sufficiently probative that it could have affected the Registrar's conclusion that paragraph 6(5)(b) favoured AIL.

(3) Nature of the goods, business and trade

[36] In the Decision at paragraph 38, the Registrar quoted and adopted CES's written submissions:

The nature of the Applicant's Goods and those of the wares and services of the Opponent are entirely different. The Opponent appears to operate entirely in the fields of mining, bridge and road construction, forestry and railways. The evidence filed by the Opponent clearly indicates that they are an engineering firm with sophisticated clients who are purchasing customized solutions for tunnels and bridges. The invoices indicated that the cost of the Opponent's goods and services are considerable. They have provided no evidence that they operate or sell goods and services to the oil and gas industry. In contract[sic] the Applicant operates exclusively in the oil and gas industry and specifically in drilling. The customers of the Applicant are also sophisticated purchasers who are specialists in drilling and completion. The Goods of the Applicant are chemicals for oil and gas production and are not available in retail or wholesale settings but rather are sold in conjunction with services. No evidence has been presented to suggest the nature of wares and services or the nature of trade of the two parties would in any way overlap.

[Emphasis in original.]

[37] As stated in the above passage, the Registrar concluded that there was no evidence that the nature of the goods and services or the nature of the trade of the two parties would in any way overlap, and therefore found that the third and fourth factors of the subsection 6(5) analysis significantly favoured CES.

[38] In the MacKinnon Affidavit, AIL evidences sales of the SUPER-COR Goods and Services in the Canadian oil and gas sector since 2004. In particular, between 2004 and 2015 AIL sold the SUPER-COR Goods and Services to 15 unique entities engaged in the oil and gas

industry, in relation to 57 unique projects. AIL also submitted written quotes for 119 potential projects.

[39] Additionally, while the registration for the SUPER-COR Mark only covers “corrugated drain pipe”, the MacKinnon Affidavit evidences the use and promotion of the SUPER-COR Mark in association with “anti-corrosive galvanized pipe coatings”, as well as in association with engineering services.

[40] AIL argues that this evidence demonstrates substantial overlap and likelihood of confusion between the SUPER-COR Goods and Services and the SUPERCORR Goods in the Canadian oil and gas sector, and that this evidence could and would have materially affected the Registrar’s conclusions regarding paragraphs 6(5)(c) and 6(5)(d), as well as the overall Decision.

[41] CES acknowledges that AIL has now provided evidence that it does have customers in the oil and gas industry. However, CES argues that this was just one consideration noted by the Registrar in ultimately deciding that the third and fourth factors of the subsection 6(5) analysis significantly favoured CES, and that the Registrar also accepted:

- (i) the nature of CES’ goods and the good and services of AIL are entirely different;
- (ii) AIL is an engineering firm with sophisticated clients who are purchasing customized solutions for tunnels and bridges;
- (iii) the cost of AIL’s goods and services is considerable;
- (iv) CES operates exclusively not just in the oil and gas industry, but specifically in the drilling and completions portion of the oil and gas industry;

(v) CES' goods are chemicals for oil and gas production and are not available in retail or wholesale settings but rather are sold in conjunction with services; and

(vi) no evidence was presented to suggest the nature of wares and services or the nature of trade of the two parties would in any way overlap.

[42] Nonetheless, AIL has provided evidence which addresses an evidentiary gap highlighted by the Registrar, and I find that it is material for the purposes of this appeal. AIL's new evidence goes to the nature of the SUPER-COR Goods and Services as marketed and sold in the oil and gas industry, and I find that it could have led the Registrar to a different conclusion with respect to the paragraph 6(5)(c) and 6(5)(d) factors.

(4) Degree of Resemblance

[43] There is no new evidence that could have affected the Registrar's conclusion that this factor favoured AIL very significantly.

(5) Conclusion

[44] The new evidence before this Court could have led the Registrar to a different conclusion with respect to the paragraph 6(5)(a), 6(5)(c), and 6(5)(d) factors, as well as the overall conclusion regarding the likelihood of confusion. As a result, I will undertake a *de novo* review of the evidence, and assess the overall balancing of the subsection 6(5) factors and the surrounding circumstances related to the likelihood of confusion.

B. *Is the SUPERCORR Mark likely to be confusing with AIL's SUPER-COR Mark?*

[45] Paragraph 12(1)(d) of the Act provides that a trademark is registerable if it is not confusing with a registered trademark. The material date for assessing confusion under this provision is the date of the trier of fact's decision. Where new evidence filed on appeal is material, such that a *de novo* review is to be conducted, the material date is the date of this Court's judgment (*Thymes, LLC v Reitmans Canada Limited*, 2013 FC 127 at para 15).

[46] Subsection 6(2) of the Act outlines what constitutes confusion:

(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.

[47] The test for confusion was outlined by Justice Rothstein in *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 27 at paragraph 40 [*Masterpiece*]:

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.

[48] The consumer whose point of view must be adopted is not always equally hurried; in a matter such as this, involving expensive or niche-market goods, more care will naturally be taken by the consumer (*Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 58 [*Mattel*]).

[49] As stated above at paragraph 14, subsection 6(5) of the Act sets out a non-exhaustive list of factors to be considered when applying the test for confusion.

[50] The degree of resemblance is the statutory factor often likely to have the greatest effect on the confusion analysis (*Masterpiece*, above at para 49). 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. As such, the other factors become significant only once the marks are found to be identical or very similar, as is the case here (*Masterpiece* at para 49).

[51] The proper focus of a confusion analysis is to consider the goods used as are covered in the cited mark as registered, with the goods as applied for in the impugned application. However, actual use of goods and/or services by the opponent may also be considered (*Mattel*, above at para 53).

[52] The burden of proof in an opposition proceeding rests on the applicant (here, CES) to show on a balance of probabilities that there is no likelihood of confusion (*Mattel* at para 54).

(1) The subsection 6(5) factors

i. Degree of resemblance

[53] The Registrar found that the parties' marks are nearly identical, and therefore that this factor significantly favoured AIL. Neither party disputes this finding, and the new evidence does

not affect this factor in my consideration of the likelihood of confusion. I find that this factor significantly favours AIL.

ii. Nature of the goods, business and trade

[54] The Registrar concluded that the paragraph 6(5)(c) and 6(5)(d) factors significantly favoured CES, as there was no evidence of overlap.

[55] In the MacKinnon Affidavit, AIL evidenced sales of the SUPER-COR Goods and Services in the Canadian oil and gas industry. In particular, AIL put forward evidence of sales to 15 unique entities in the oil and gas industry between 2004 and 2015, relating to 57 different projects. AIL also put forward evidence of promotional materials for the SUPER-COR Goods and Services, which were submitted in respect of 119 different potential sales opportunities involving entities in the oil and gas industry.

[56] This new evidence clearly demonstrates that AIL operates in, sells and promotes the SUPER-COR Goods and Services to the oil and gas industry.

[57] CES argues that there is no potential overlap of goods, services, or business, because the new evidence does not change that the nature of the SUPERCORR Goods is a protective coating to inhibit corrosion, applied to oil and gas pipelines, whereas the nature of the SUPER-COR Goods is a large pipe (albeit one which is regularly sold covered in a protective coating) for use in large infrastructure projects.

[58] However, the statement of goods as submitted to the Registrar remains the focus of the confusion analysis (*Seara* at para 41; *Mattel* at para 53). While actual use of a mark can be considered, it is less important.

[59] The statement of goods in the SUPERCORR Application covers a “corrosion inhibitor in the nature of a protective coating for use in the petroleum extraction, water injection, and petroleum and chemical processing and transmission fields.” While this language includes a limitation to the oil and gas industry, discussed below, there is no limit with respect to specific uses of the protective coating within the oil and gas industry.

[60] Turning to the nature of the trade, CES argues that there is no potential overlap in channels of trade, because CES operates specifically within a narrow subset of the oil and gas industry – the drilling and completions portion of the industry. CES argues that this is quite distinct from the large scale construction projects on which AIL’s SUPER-COR Goods and Services are employed. CES states that even if the respective goods are sold to the same company, they would be sold to entirely different departments within that company, consisting of individuals with entirely distinct roles and areas of expertise.

[61] I cannot accept these arguments for two reasons. First, while I have some sympathy for CES’s argument that the respective goods may be marketed and sold to distinct subsets of individuals within the oil and gas industry, the evidence before me does not establish this point. There is nothing in the evidence which satisfies me that consideration of the purchase and use by

customers of the respective goods would be undertaken by distinct areas and individuals within an oil and gas company.

[62] Second, as outlined above, the statement of goods in the SUPERCORR Application remains the focus of the confusion analysis. I cannot ignore the wording of the SUPERCORR Application simply because the actual products on which the SUPERCORR Mark is used may move in different trade sectors of the oil and gas industry than would the SUPER-COR Goods and Services offered to that industry.

[63] The wording in the SUPERCORR Application pertains to corrosion inhibitors for “use in the petroleum extraction, water injection, and petroleum and chemical processing and transmission fields”. This wording is broad, and allows for use in association or connection with those goods in the oil and gas industry as a whole. It does not limit the uses of the corrosion inhibitor to a distinct area within the oil and gas industry that would not potentially overlap with AIL’s SUPER-COR Goods and Services in that same industry.

[64] The evidence establishes that both CES and AIL operate in the oil and gas industry, and there is potential for their channels of trade to overlap. Additionally, both the SUPER-COR Goods and Services and the SUPERCORR Goods involve protective coatings applied to pipes, albeit pipes used for different purposes.

[65] Therefore, I find that the paragraph 6(5)(c) and 6(5)(d) factors favour AIL.

iii. Length of time in use

[66] As outlined above, AIL has now evidenced use of the SUPER-COR Mark in the Canadian oil and gas industry since 2004, as well as earlier use outside the relevant industry to which I assign minimal weight. CES has shown effective use of the SUPERCORR Mark by the Jacam entities under licence from CES since March 1, 2013

[67] I find that the paragraph 6(5)(b) factor favours AIL.

iv. Inherent and acquired distinctiveness

[68] I will first address inherent distinctiveness. The Registrar found that both marks possessed little inherent distinctiveness:

The opponent's mark SUPER-COR possesses little inherent distinctiveness as it is comprised of a laudatory prefix and a suffix which, in relation to the opponent's goods, is suggestive of a "corrugated" product. Similarly, the applied-for mark SUPERCORR possesses little inherent distinctiveness as it is comprised of a laudatory prefix and a suffix which, in relation to the applicant's goods, is suggestive of products related to "corrosion." The parties' marks are therefore inherently weak.

[69] Both marks are coined words, and each has some inherent distinctiveness. As the marks are nearly identical, inherent distinctiveness does not favour either party.

[70] As this is a *de novo* review based on new material evidence, I need not find error in the Registrar's findings on this point. However, AIL correctly argues that the Registrar erred by dissecting the marks into their component parts.

[71] Turning to acquired distinctiveness, the MacKinnon Affidavit evidences 738 unique sales using the SUPER-COR Mark to 293 unique customers between 1990 and June 30, 2017.

Additionally, between 2001 and 2016, sales of the SUPER-COR Goods and Services in Canada totalled \$83 million. In this same period, AIL spent approximately \$4.8 million promoting the SUPER-COR Goods and Services. In relation to the oil and gas industry specifically, between 2004 and 2015, AIL made 57 unique sales of the SUPER-COR Goods and Services to 15 different oil and gas industry customers, as well as delivering quotations and promotional materials displaying the SUPER-COR Mark in relation to 119 potential projects in the oil and gas industry.

[72] All of this evidence suggests that the SUPER-COR Mark has acquired significant distinctiveness for the goods and services offered by AIL in operation with that mark, both generally and specifically related to the oil and gas industry.

[73] In contrast, as discussed above, the evidence of CES only demonstrates use of the SUPERCORR Mark in relation to the SUPERCORR Goods since 2013. The sales figures included in the 2015 Nieboer Affidavit show revenue from sale of the SUPERCORR Goods totalling approximately \$275,000 in 2013, \$747,000 in 2014, and \$900,000 between January and November of 2015.

[74] On the balance, I find that while each mark possesses some inherent distinctiveness, the SUPER-COR Mark has significantly more acquired distinctiveness. As a result, this factor favours AIL.

v. *Conclusion*

[75] The question before me is whether, based on the relevant factors outlined in subsection 6(5) of the Act and the surrounding circumstances, and as stated by the Supreme Court of Canada in *Masterpiece*, above, there is a sufficient degree of resemblance between SUPERCORR and SUPER-COR, such that as a matter of first impression, the casual consumer, somewhat in a hurry and with an imperfect recollection of the SUPER-COR Mark, would likely be confused as to the source of the SUPERCORR Goods being sold by CES (*Masterpiece* at para 41).

[76] I find that there is a likelihood of confusion at the material date. Each of the subsection 6(5) factors when considered individually and as a whole, together with the surrounding circumstances, weigh in favour of a finding of a likelihood of confusion. In particular, the new evidence before me, which the Registrar did not have the benefit of considering, shows that there is a real potential for overlap in the nature of the goods, services or business of the respective parties. Additionally, there is clear overlap in the parties' channels of trade, as both are engaged in sales and marketing within the Canadian oil and gas industry. These findings, together with the other subsection 6(5) factors and the surrounding circumstances, support a finding that there is a likelihood of confusion.

[77] As a result, the SUPERCORR Mark is not registerable pursuant to paragraph 12(1)(d) of the Act.

[78] In light of my findings above, CES is not entitled to registration of the SUPERCORR Mark pursuant to section 2 and paragraph 16(2)(a) of the Act.

VI. Conclusion

[79] This application is allowed. Costs to the Applicant.

JUDGMENT in T-380-17

THIS COURT'S JUDGMENT is that:

1. This application is allowed, and the Registrar's decision is set aside.
2. The Registrar is directed to refuse the Respondent's application numbered 1,624,178.
3. Costs to the Applicant to be assessed in accordance with Column III of Tariff B.

“Michael D. Manson”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-380-17

STYLE OF CAUSE: AIL INTERNATIONAL INC v CANADIAN ENERGY SERVICES LP

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: MAY 29, 2019

JUDGMENT AND REASONS: MANSON J.

DATED: JUNE 10, 2019

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