

Federal Court



Cour fédérale

Date: 20101220

**Dockets: T-2140-09
T-2141-09**

Citation: 2010 FC 1287

BETWEEN:

THE CHAMBERLAIN GROUP, INC.

Applicant

and

LYNX INDUSTRIES INC.

Respondent

AMENDED REASONS FOR JUDGMENT

HUGHES J.

[1] These Reasons pertain to two appeals taken under the provisions of section 56 of the *Trade-marks Act*, RSC 1985, c. T-13 from decisions of the Trade-marks Opposition Board in which two oppositions taken by the Applicant (Appellant), The Chamberlain Group, Inc. to applications to register certain trade-marks filed by the Respondent Lynx Industries Inc., were rejected. For the reasons that follow I am allowing these appeals and rejecting the trade-mark applications.

[2] At issue are two applications for registration of a trade-mark filed by the Respondent Lynx on the same day, July 21, 2004. Both applications were based on proposed use in association with

wares described as “garage door openers”. Both applications were advertised for opposition on January 12, 2009 and both were opposed by the Chamberlain by statements of opposition filed June 13, 2005. In decisions dated October 19, 2009, a Member of the Trade-marks Opposition Board rejected both oppositions. Whereupon these appeals were filed.

[3] The two applications are closely related. Application 1,224,296 is for the word LYNXMASTER. Application 1,224,318 is for the word written as LynxMaster in a design form as follows:



[4] The presence of the “cat” or “lynx” head is largely irrelevant. “While the Respondent filed evidence of its vice president, Schram, that the Respondent had used both the word LYNX and the “cat head” logo with most of its products since 1976, there is no evidence other than Schram’s unsupported assertion at paragraph 16 of his affidavit, that the word LYNX or the “cat head” logo have become well known or that such a logo would dominate any trade-mark such as the word LYNXMASTER. As noted by the Federal Court of Appeal in *Worldwide Diamond Trademarks Limited v. Canadian Jewellers Association*, 2010 FCA 326, confusion can be tested by sounding the word alone where (as is the case here) the design element is not dominant.

The Opposition Proceedings

[5] Chamberlain filed statements of opposition to these two applications on June 13, 2005. As is, unfortunately, not unusual in opposition proceedings, Chamberlain raised a large number of grounds for opposition. The most robust grounds were those of confusion, namely, confusion with

the trade-marks previously registered by Chamberlain, TMA 370,670 for the words LIFT MASTER, and TMA 330,535 for the words GARAGE MASTER, both for garage door openers. Confusion was also asserted in respect of the use by Chamberlain of the word LIFTMASTER previously and continuously used in Canada in association with garage door openers. I agree with the Member where she found at paragraph 21 of her Reasons, that consumers would not perceive LIFT MASTER and LIFTMASTER as being two different marks, they are interchangeable. They can conveniently be referred to collectively as LIFTMASTER. I rate that the evidence shows that use of this word by Chamberlain is usually in a form using capital and lower case letters as LiftMaster.

[6] The Member found that there was abundant evidence as to the use of the trade-mark LIFTMASTER by Chamberlain since at least 1990. In the years 2000 to 2005 sales were in the range of 90,000 to 140,000 units per year. There was also abundant evidence as to advertising by Chamberlain of LIFTMASTER products in the relevant time period. In 2004, over one million (\$1,000,000.00) dollars was spent on such advertising in Canada. LIFTMASTER enjoys considerable market share. Depending on how it is calculated, Chamberlain's Counsel argues that it could be 33% or up to 65% of the market. The Member correctly noted at paragraph 38 of her reasons that Chamberlain had evidenced that its mark LIFTMASTER had acquired reputation through use or promotion and that, by the time of her reasons, sales in Canada had exceeded 670,000 units.

[7] There is no evidence as to sales by Chamberlain of GARAGE MASTER products. Evidently, this mark is not being promoted in Canada by Chamberlain.

[8] The Member, at paragraphs 36 to 41 of her Reasons, made a finding that there was abundant use and advertising by Chamberlain of the trade-mark LIFTMASTER prior to the date that Lynx filed its applications to register LYNXMASTER and LynxMaster and design. She found that the wares are the same, namely, garage door openers. She also found the channels of trade to be overlapping, if not identical.

[9] There was some evidence, as reviewed by the Member at paragraphs 45 to 51 of her Reasons, of use by third parties of doors and building materials sold under trade names or business names or trade-marks which included the word MASTER, such as DOORMASTER, but such evidence was scanty, inconclusive and largely hearsay.

[10] The essential basis for the Member's decision is set out in paragraphs 42 and 43 of her Reasons in dealing with section 6(5)(e) of the *Trade-marks Act* "degree of resemblance":

s. 6(5)(e):

[42] With respect to the degree of resemblance, the marks must be considered in their totality; it is not correct to lay the trade-marks side by side and compare and observe similarities or differences among the elements or components of their marks. Nevertheless, the first component of a mark is often considered more important for the purpose of distinction [Conde Nast Publications Inc. v. Union des Editions Modernes (1979), 46 C.P.R. (2d) 183 (F.C.T.D.) and Park Avenue Furniture Corp. v. Wickers/Simmons Bedding Ltd. (1991), 37 C.P.R. (3d) 413 (F.C.A.)]. Also, when a word is a common, descriptive word, it is entitled to a narrower range of protection than an invented or unique word.

[43] Overall, there are significant differences between the marks in appearance, sound and ideas suggested. Although each mark comprises a single syllable word that commences with the letter L followed by the word MASTER, the differences between the marks are more significant than their similarities. In particular, the great differences between the words LIFT and LYNX both in appearance

and sound, but most importantly in ideas suggested, counteract any similarities between these marks. Although the marks share the common word MASTER, the common feature is not the dominant portion of the Applicant's mark. Moreover, the word MASTER is an ordinary dictionary word that imparts a laudatory suggestion. Although the Opponent made submissions to the effect that the descriptive nature of the word MASTER varies depending on whether it is employed as a noun or as an adjective, I consider such an argument to be overly semantic and not decisive of the degree of resemblance between the marks.

[11] In addressing “*other surrounding circumstances*” and, in particular, third party uses of MASTER, the Member wrote at paragraph 50 of her Reasons:

[50] From the foregoing, I can only conclude that the Opponent's use of the formative MASTER is not unique in its general field. I cannot conclude that there has been sufficient use of MASTER by third parties to increase the ability of Canadians to distinguish between one MASTER mark/name and another. Nevertheless, given the laudatory nature of the word, the attention of Canadian consumers would likely be drawn to the other features of such marks.

[12] The Member addressed other issues in her Reasons, including family of marks (paragraphs 52 and 53), the effect, if any, of the decision rendered in a parallel U.S. Opposition (paragraph 54), the use by the applicant of LYNX alone (paragraphs 55 and 56). Her disposition of the section 16 grounds of opposition was dependent on her disposition of the section 12(1)(d) issue; namely, confusion, if any, between LYNXMASTER and LIFTMASTER (paragraphs 59 to 61). Distinctiveness was dealt with in the same way (paragraphs 62 and 63). Opposition based on section 30(i) of the *Trade-marks Act* was rejected (paragraphs 64 to 68).

[13] In all, the substantial issue was whether LIFT MASTER, previously registered and used by Chamberlain for garage door openers, is likely to be confusing with the proposed marks LYNXMASTER or LynxMaster and design for the same wares. The LYNXMASTER marks have

not yet been used in Canada. The Member found that there would not be a likelihood of confusion. Hence these appeals.

The Issues

[14] Chamberlain has raised the following issues in its Memorandum of Fact and Law in what it characterizes as the “Main Issue”:

- a. Does the new evidence adduced by Chamberlain on these appeals materially affect the findings of fact made by the Member of the Opposition Board?
- b. What is the standard of review?
- c. Was the decision of the Member clearly wrong?
- d. Does the new evidence, combined with the evidence that was before the Opposition Board, support a finding of confusion between LYNXMASTER (and design) and LIFTMASTER (and the registered mark LIFT MASTER)?

[15] In its written argument, Chamberlain also raises a further issue:

5. What is the effect, if any, of the decision of the United States Trademark Trial and Appeal Board?

[16] In oral argument Counsel for Chamberlain raised a further issue only briefly addressed in the written argument.

6. Should the applications be rejected having regard to section 30(i) of the *Trade-marks Act* in that they were not filed in good faith?

ISSUE #1: Effect of New Evidence

[17] In these appeals, Chamberlain filed new evidence being the further affidavits of Anderson, Vice President of Marketing of Chamberlain and of Wiedrick, County Manager (Canada) of Chamberlain. Both had previously filed affidavits in the Opposition Board proceedings. Both were cross-examined on their further affidavits.

[18] Anderson's further evidence was said to address deficiencies expressed in the Member's Reasons, particularly at paragraph 24, where examples of advertising were said to be lacking. As well, this affidavit provided more precise figures as to advertising expenditures. Anderson also supplemented earlier sales figures given with sales of "accessories and remotes"; for instance, one garage door opener in a condominium would require a number of remotes for each condominium owner.

[19] In this regard, the Member was, through evidence already of record in the oppositions, aware as to sales of LIFTMASTER products and the market share enjoyed. She comments on this at paragraphs 22 to 26 of her Reasons. She concluded at paragraph 38:

[38] Only the Opponent has evidenced that its mark has acquired reputation through use or promotion. In this regard, it is noted that the number of units of LIFT MASTER goods sold in Canada has exceeded 670,000 units as of today's date.

[20] The Wiedrick fresh evidence was directed to sales and reputation of LIFTMASTER garage door openers as well as related products such as remote garage door openers. This evidence also was directed to rebut evidence led by Chamberlain itself at the Opposition Board in which a trademark agent acting for Chamberlain, Brady, said that she had made a few phone calls to businesses

that included the word MASTER in their business names. Some of the responses to the phone calls indicated that the businesses sold LIFTMASTER products and in one or two responses, that they sold LYNXMASTER products. Wiedrick said that this could not be so since LYNXMASTER products were, to his knowledge, never sold in Canada. This evidence is peculiar, since, in effect, Chamberlain wishes to rebut its own evidence.

[21] I find the Brady evidence to be of no value. Her recounting of phone calls with persons not specifically identified, who may or may not have known what they were talking about, is of no value. The rebuttal of that evidence is unnecessary.

[22] The Member correctly found, with respect to the evidence of a Ms. Brigant who searched the trade-marks registry for “MASTER” registrations, to be insufficient to support any conclusion as to the state of the marketplace (paragraph 47 of her Reasons).

[23] The Member, at paragraph 48 of her Reasons, addressed the evidence of Schram in which he noted only two businesses selling garage door openers which have the word MASTER as part of their business name. Again, this evidence is largely hearsay and inconclusive.

[24] The conclusion reached by the Member at paragraph 50 of her Reasons, namely, that the use of MASTER in what she calls the “general field” is hardly supported by any robust evidence. The conclusion that she reaches, namely, that given what she calls the “laudatory nature” of the mark, consumers’ attention would likely be drawn to other features of such marks, is totally unsupported

by the evidence. It is not necessary to refer to the further evidence adduced by Chamberlain on these appeals.

ISSUE #2: Standard of Review

[25] The Member correctly found at paragraph 17 of her Reasons that, once the opponent Chamberlain had adduced sufficient evidence to support its grounds for opposition, the onus rests on Lynx, on the balance of probabilities, to establish that its applications should proceed to registration. She wrote:

Onus

[17] The Applicant bears the legal onus of establishing, on a balance of probabilities, that its application complies with the requirements of the Trade-marks Act, R.S.C. 1985, c. T-13 (the "Act"). However, there is an initial evidential burden on the Opponent to adduce sufficient admissible evidence from which it could reasonably be concluded that the facts alleged to support each ground of opposition exist [see John Labatt Limited v. The Molson Companies Limited (1990), 30 C.P.R. (3d) 293 (F.C.T.D.) at 298].

[26] The present proceedings are taken by way of an appeal under section 56 of the *Trade-marks Act*. The *Federal Courts Rules*, Rule 300(d) provides that the form of the appeal is to be that of an application. Section 56(5) of the *Trade-marks Act* makes an unusual provision that, on such an appeal, evidence in addition to that addressed before the Opposition Board (Registrar) can be adduced in the Court proceedings and the Court may exercise any discretion vested in the Registrar.

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.

[27] There has been some confusion in dealing with the onus on such an appeal, largely because the appeal, particularly with new evidence, very much resembles an application. The appeal is not a

judicial review. The Court may make a fresh determination of the matter. It is not a question of sending the matter back to the Opposition Board for re-determination as it would be on a judicial review.

[28] Rothstein JA (as he then was) in the Federal Court of Appeal set out what has become the generally accepted approach in *Molson Breweries v. John Labatt Ltd.*, (2000), 5 C.P.R. (4th) 180, at paragraph 29:

[29] I think the approach in Benson & Hedges v. St. Regis and in McDonald's Corp. v. Silcorp are consistent with the modern approach to standard of review. Even though there is an express appeal provision in the Trade-marks Act to the Federal Court, expertise on the part of the Registrar has been recognized as requiring some deference. Having regard to the Registrar's expertise, in the absence of additional evidence adduced in the Trial Division, I am of the opinion that decisions of the Registrar, whether of fact, law or discretion, within his area of expertise, are to be reviewed on a standard of reasonableness simpliciter. However, where additional evidence is adduced in the Trial Division that would have materially affected the Registrar's findings of fact or the exercise of his discretion, the Trial Division judge must come to his or her own conclusion as to the correctness of the Registrar's decision.

[29] More recently, Justice Martineau has set the matter out well in his decision *Brouillette Kosie Prince v. Orange Cove-Sanger Cirtus Assn*, 2007 F.C. 1229 at paragraph 9:

9 It is undisputed that where on appeal no new evidence is filed that would have materially affected the Registrar's findings or exercise of discretion, the standard of review is reasonableness simpliciter whether the issue is one of fact or mixed fact and law (Molson Breweries, a Partnership v. John Labatt Ltd. (2000), 5 C.P.R. (4th) 180, [2000] F.C.J. No. 159 (F.C.A.) (QL); Footlocker Canada Inc. v. Steinberg, 2005 FCA 99, [2005] F.C.J. No. 485 (F.C.A.) (QL); Fairweather Ltd. v. Canada (Registrar of Trade-Marks), 2006 FC 1248, [2006] F.C.J. No. 1573 (F.C.)(QL)). However, where additional evidence is adduced in Court that would have materially affected the Registrar's findings of fact or the

exercise of her or his discretion, the Court must decide the issue de novo after considering all of the evidence before it. In doing so, the Court will substitute its own opinion to that of the Registrar without any need to find an error in the Registrar's reasoning. To determine whether the new evidence is sufficient to warrant a determination de novo, this Court must look at the extent to which the additional evidence has a probative significance that extends beyond the material that was before the Registrar. If the new evidence adds nothing of significance, but is merely repetitive of existing evidence, without increasing its cogency, the issue will be whether the Registrar's decision can survive a somewhat probing examination

[30] The phrase “*somewhat probing examination*” is a reflection of the reasons written by Binnie J. for the Supreme Court of Canada in *Mattel, Inc. v. 3894207 Canada Inc.*, [2006] 1 S.C.R. 772 at paragraph 40.

40 *Given, in particular, the expertise of the Board, and the "weighing up" nature of the mandate imposed by s. 6 of the Act, I am of the view that despite the grant of a full right of appeal the appropriate standard of review is reasonableness. The Board's discretion does not command the high deference due, for example, to the exercise by a Minister of a discretion, where the standard typically is patent unreasonableness (e.g. C.U.P.E. v. Ontario (Minister of Labour), [2003] 1 S.C.R. 539, 2003 SCC 29, at para. 157), nor should the Board be held to a standard of correctness, as it would be on the determination of an extricable question of law of general importance (Chieu v. Canada (Minister of Citizenship and Immigration), [2002] 1 S.C.R. 84, 2002 SCC 3, at para. 26). The intermediate standard (reasonableness) means, as Iacobucci J. pointed out in Ryan, at para. 46, that "[a] court will often be forced to accept that a decision is reasonable even if it is unlikely that the court would have reasoned or decided as the tribunal did." The question is whether the Board's decision is supported by reasons that can withstand "a somewhat probing" examination and is not "clearly wrong": Southam, at paras. 56 and 60.*

[31] In short, on an appeal, whether or not new evidence is led, the Opposition Board’s decision must undergo a somewhat probing examination. If new evidence is led that significantly changes the factual basis for the Board’s decision, then the Court must decide the matter *de novo*.

Throughout, the Applicant bears the onus in the case of doubt to demonstrate that its application is not confusing.

[32] Chamberlain's Counsel has referred to the recent decision of the Federal Court of Appeal in *Masterpiece Inc. v. Alavido Lifestyles Inc.*, 2009 FCA 290 (currently under appeal to the Supreme Court of Canada) for the proposition expressed at paragraphs 33 and 34 that an improper analysis as to confusion can be reviewed on a standard of correctness. This case did not involve an appeal from the Opposition Board, it dealt with an expungement proceeding that originated in the Federal Court. The proposition that a question of law is reviewed on the basis of correctness on appeal is unassailable. The question will remain, however, as to whether the error made was an error of law.

ISSUE #3: Was the decision of the Member clearly wrong?

ISSUE #4: Concluding the totality of the evidence before the Board and before this Court has confusion been establish?

[33] I have treated these two issues together since the issue of confusion, as determined by the Member, must be subjected to a somewhat probing examination.

[34] Confusion is relevant to two different grounds for opposition. Section 12(1)(d) of the *Trade-marks Act* prohibits the registration of a trade-mark if it is confusing with a previously registered trade-mark. Here the question is whether LYNXMASTER and LynxMaster and design are confusing with Chamberlain's previously registered trade-mark LIFT MASTER. Section 16(3)

prohibits a person from registering a proposed trade-mark, here LYNXMASTER and LynxMaster and design, if they are confusing with a previously used trade-mark, here LIFTMASTER or LiftMaster.

[35] The Supreme Court of Canada has, in two recent decisions, given consideration to the issue of confusion, the *Mattel* decision (*Mattel Inc. v. 3894207 Canada Inc.*, (2006) 1 S.C.R. 772) and *Veuve Clicquot* (*Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, [2006] 1 S.C.R. 824). Binnie J. wrote for the majority in *Mattel* with brief concurring reasons by LeBel J. Binnie J. wrote the unanimous decision of the Court in *Veuve Clicquot*.

[36] In *Mattel* the Supreme Court considered the mindset of the person who would be the subject of confusion or not. Binnie J. concluded at paragraph 58 that it would be the ordinary casual consumer somewhat in a hurry:

58 A consumer does not of course approach every purchasing decision with the same attention, or lack of it. When buying a car or a refrigerator, more care will naturally be taken than when buying a doll or a mid-priced meal: General Motors Corp. v. Bellows, [1949] S.C.R. 678. In the case of buying ordinary run-of-the-mill consumer wares and services, this mythical consumer, though of average [page805] intelligence, is generally running behind schedule and has more money to spend than time to pay a lot of attention to details. In appropriate markets, such a person is assumed to be functionally bilingual: Four Seasons Hotels Ltd. v. Four Seasons Television Network Inc. (1992), 43 C.P.R. (3d) 139 (T.M.O.B.). To those mythical consumers, the existence of trade-marks or brands make shopping decisions faster and easier. The law recognizes that at the time the new trade-mark catches their eye, they will have only a general and not very precise recollection of the earlier trade-mark, famous though it may be or, as stated in Coca-Cola Co. of Canada Ltd. v. Pepsi-Cola Co. of Canada Ltd., [1942] 2 D.L.R. 657 (P.C.), "as it would be remembered by persons possessed of an average memory with its usual imperfections" (p. 661). The standard is not that of people "who never notice anything" but of persons who take

no more than "ordinary care to observe that which is staring them in the face": Coombe v. Mendit Ld. (1913), 30 R.P.C. 709 (Ch. D.), at p. 717. However, if ordinary casual consumers somewhat in a hurry are likely to be deceived about the origin of the wares or services, then the statutory test is met.

[37] This test was re-iterated by Binnie J. in *Veuve Clicquot* at paragraph 20:

20 *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 name Cliquot on the respondents' storefront or invoice, at a time when he or she has no more than an imperfect recollection of the VEUVE CLICQUOT 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. As stated by Pigeon J. in Benson & Hedges (Canada) Ltd. v. St. Regis Tobacco Corp., [1969] S.C.R. 192, at p. 202:*

It is no doubt true that if one examines both marks carefully, he will readily distinguish them. However, this is not the basis on which one should decide whether there is any likelihood of confusion.

... the marks will not normally be seen side by side and [the Court must] guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it [page841] is a new or associated mark of the proprietor of the former mark.

(Citing in part Halsbury's Laws of England, 3rd ed., vol. 38, para. 989, at p. 590.)

[38] Given this hypothetical person as the touchstone against which confusion is to be measured section 6 of the *Trade-Marks Act* requires consideration by the Court of confusion- not in the strict yes or no sense- but in the sense of whether it is "likely". Section 6(2) says:

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*

6(2) *L'emploi d'une marque de commerce crée de la confusion avec une autre marque de commerce lorsque l'emploi des*

would be likely to lead to the inference that the wares or services associated with those trade-marks are manufactured, sold, leased, hired or performed by the same person, whether or not the wares or services are of the same general class.

deux marques de commerce dans la même région serait susceptible de faire conclure que les marchandises liées à ces marques de commerce sont fabriquées, vendues, données à bail ou louées, ou que les services liés à ces marques sont loués ou exécutés, par la même personne, que ces marchandises ou ces services soient ou non de la même catégorie générale.

[39] Certain criteria for such a consideration are given in section 6(5) which directs that regard shall be given to “*all the surrounding circumstances*” including the five enumerated circumstances. In *Mattel* and *Veuve Clicquot*, Binnie J. cautioned that some of these criteria will carry greater weight than others depending on the circumstances. At paragraph 73 of *Mattel* he wrote:

73 ...the view is correct that “all of the surrounding circumstances” must be taken into consideration but that, in some cases, some circumstances...will carry greater weight than others.

[40] The same was stated by Binnie J. in *Veuve Clicquot* at paragraph 27:

27 The s. 6(5) list is clearly not exhaustive. Some enumerated factors may not be particularly relevant in a specific case, and in any event their weight will vary with “all the surrounding circumstances”. The fame of the mark is not, as such, an enumerated circumstance (although it is implicit in three of the enumerated factors, namely inherent distinctiveness, the extent to which a mark has become known, and the length of time that it has been used). Undoubtedly fame (or strength) is a circumstance of great importance because of the hold of famous marks on the public mind. With that introduction, I turn to discuss the statutory list.

[41] In the circumstances of the oppositions under appeal there is no dispute that the wares, garage door openers, are identical and that the channels of trade into which the wares are sold are not different. It is undisputed that the Chamberlain LIFTMASTER product had been on the Canadian market for at least fifteen years before the Lynx applications were filed and, despite quibbles raised in argument by Lynx's Counsel, the LIFTMASTER product has enjoyed significant sales, market share and advertising. There is no evidence that the LYNXMASTER product has ever been sold in Canada. The two trade-marks closely resemble each other, they differ only by three letters within the body of the marks – **L***MASTER** or as it is often written **L***Master**. Evidence of use by third parties of any "MASTER" containing mark in the field of garage door openers is scanty and largely hearsay. There are no relevant registered trade marks in the name of third parties which contain the word MASTER for garage door openers or similar wares.

[42] The essence of the Board Member's decision is contained in paragraphs 42 and 43 of her Reasons as have earlier been set out herein. She began correctly by saying the marks must be considered in their totality. However, the Member fell into error by then dissecting the marks and considering, without any support in the record, that MASTER was a word that supports a laudatory suggestion. She then compares only LIFT with LYNX in the absence of the rest of the trade-marks.

[43] The evidence is that the totality of the trade-mark LIFTMASTER or LiftMaster has been used and advertised in Canada to a significant extent when it comes to garage door openers. The newcomer LYNXMASTER or LynxMaster with a "cat" or "lynx" head, has never been used. There are no other significant MASTER uses of registration. In the totality of the circumstances, without

dissecting the trade-marks, to the ordinary consumer with imperfect recollection, they are likely to be confused.

[44] Counsel have cited to me various decision of the Opposition Board and Courts in which “MASTER” containing marks have been considered. No clear legal precedent emerges. Each situation must be considered having regard to its individual circumstance. (see e.g. *Beverley Bedding & Upholstery Co. v. Regal Bedding & Upholstering Ltd.* (1980), 47 CPR (2^d) 145 at para 52 (FC)).

[45] A typical case is one referred to by Respondent’s Counsel in argument, the decision of the Trade-Marks Opposition Board in *Great Atlantic & Pacific Co. of Canada v. Effem Foods Ltd.* (1993), 49 CPR (3d) 277. In that case Effem sought to register MASTERFOODS and design for certain foodstuffs. This was opposed by A&P who had previously filed an application for MASTER CHOICE and MASTER CHOICE and design. The Board Member rejected Effem’s application on the basis that the test for confusion was a matter of first impression and imperfect recollection, the wares and marks were similar, since he was left in a state of doubt as to confusion and given that the Applicant bore the onus, the application was refused. The Member (Martin) wrote, *inter alia*:

In view of the above, the first ground of opposition remains to be decided on the issue of confusion between the marks of the parties, the more pertinent of the opponent’s marks being MASTER CHOICE. The material time for considering the circumstances respecting the issue of confusion is as of the applicant’s filing date in accordance with the wording of Section 16(3) of the Act. Furthermore, the onus or legal burden is on the applicant to show no reasonable likelihood of confusion between the marks at issue. Finally, in applying the test for confusion set forth in Section 6(2) of the Act, consideration is to be given to all of the surrounding

circumstances including those specifically set forth in section 6(5) of the Act.

The applicant's proposed mark MASTERFOODS Design is inherently distinctive although it is not a strong mark. The component FOODS has been disclaimed since it names the general category of the applicant's wares. The word MASTER is used as an adjective and thus has a somewhat laudatory connotation suggesting that the applicant's foods are of a high quality. Although the Owen affidavit refers to use of the trade-mark MASTERFOODS Design in Australia, there is no evidence that it had acquired any reputation in Canada as of the applicant's filing date.

The opponent's trade-mark MASTER CHOICE is inherently distinctive although it, too, is not a strong mark. It is also laudatory since it suggests that the opponent's food items would be a superlative choice. There is no evidence that the opponent's mark had acquired a reputation in Canada as of the material time.

...

As for section 6(5)(e) of the Act, I consider there to be a fairly high degree of resemblance between the marks of the parties in all respects. Both marks consist of the word MASTER followed by a one syllable non-distinctive component.

*The applicant has submitted that the state of the register evidence introduced by the Messer affidavit mitigates the effect of any resemblance between the marks. State of the register evidence is only relevant insofar as one can make inferences from it about the state of the marketplace: see the opposition decision in *Ports International Ltd. v. Dunlop Ltd.* (1992), 41 C.P.R. (3d) 432 and the decision in *del Monte corporation v. Welch Foods Inc.* (1992), 44 C.P.R. (3d) 205 (F.C.T.D.). Also of note is the recent decision in *Kellogg Salada Canada Inc. v. Maximum Nutrition Ltd.* (1992), 43 C.P.R. (3d) 349 (F.C.A.) which is support for the proposition that inferences about the state of the marketplace can only be drawn from state of the register evidence where large numbers of relevant registrations are located.*

My review of the Messer affidavit reveals that, at the time of Ms. Messer's search, there were 42 registrations standing in the name of 32 different owners of trade-marks incorporating the word MASTER for various food products. However, only eleven of those registrations (standing in the name of nine different owners) covered trade-marks in which the word MASTER was the first component as

it is with the marks at issue. Furthermore, only six of those particular registrations cover wares related to those at issue in the present case.

In the absence of evidence of use, the existence of only six registrations on the register for trade-marks commencing with the word MASTER for related wares is insufficient to allow me to conclude that any of those six marks has been used to any notable extent. Thus, the applicant has failed to show that consumers had become accustomed to seeing MASTER-prefixed marks in the marketplace for the wares at issue in the present case. Given the large number of registrations for trade-marks incorporating the word MASTER in general for a wide variety of food products, I am able to conclude that a number of such marks were in use at the material time. Thus, I am able to conclude that consumers have become accustomed to seeing trademarks incorporating the word MASTER as a secondary component and usually as a noun for various food products. However, given the construction of the marks at issue in the present case and the wares of the parties, such a conclusion does little to mitigate the degree of resemblance between the two marks.

...

In applying the test for confusion, I have considered that it is a matter of first impression and imperfect recollection. In view of my conclusions above, and particularly in view of the similarities between the wares, trades and marks of the parties, I am left in a state of doubt respecting the issue of confusion. Since the onus is on the applicant, I must resolve that doubt against it. The first ground of opposition is therefore successful and the second ground need not be considered.

In view of the above, I refuse the applicant's application.

[46] I use this case to illustrate the errors of law committed by the Member in dealing with the issue of confusion in the present circumstances:

- i. While correctly saying that the marks must be viewed in their totality, instead she dissected them into LIFT and LYNX and MASTER, finding without evidentiary support (other than a brief self-serving mention in the affidavit of Schram) that

MASTER was laudatory and LYNX was distinctive enough to create a distinction between LYNXMASTER and LIFTMASTER.

- ii. She did not give sufficient weight to the fifteen years of significant sales and advertising in Canada of LIFTMASTER compared to none whatsoever of LYNXMASTER or LynxMaster and design.
- iii. She did not give sufficient regard to the fact that the wares were identical and the channels of trade would not be different.
- iv. She did not give sufficient weight to the lack of any significant use or registration by any other party in the garage door opener field of a MASTER containing mark.
- v. She did not give due regard to the onus borne by the applicant.

[47] The decision of the Member was not correct, it does not withstand a somewhat probing examination. The marks are likely to be confusing.

ISSUE #5: US TTAB Decision

[48] Chamberlain, in its written argument, argues that a decision of the United States Trademark Trial and Appeal Board (US TTAB), in Opposition No. 91160673, Chamberlain v. Lynx, mailed December 14, 2007, has precedential value. Chamberlain's Counsel at the hearing before me did not go that far. He urged that reference should be made to that decision and that it should be persuasive. This decision finds LYNX MASTER to be confusing with LIFT MASTER.

[49] There are several decisions of our Courts where reference has been made to decisions of foreign Courts and Tribunals in analogous cases. No Canadian Court has called them precedents. It

is to be noted that the U.S. decision itself states that it is “Not a Precedent”. Of course a Canadian Court may from time to time find statements made in such decisions to be useful in describing the situation before the Canadian Court or a principle of law to be applied. Our Courts are not so xenophobic as to reject foreign decisions out of hand.

[50] In the present circumstances, the U.S. decision is at a level roughly equivalent to a Canadian Trade-mark Office Opposition Board. There is no evidence as to foreign law and how it might be the same as or different from our law so as to make this decision in any way pertinent here.

[51] The Member was correct in concluding at paragraph 54 of her decision that the U.S. decision had no precedential binding authority and need not be discussed further.

ISSUE #6: Section 30(i) “Bad Faith”

[52] Section 30(i) of the *Trade-marks Act* requires that an applicant, for registration of a trade-mark, provide in the application a statement that the applicant is satisfied that he is entitled to use the trade-mark in Canada:

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

...
(i) a statement that the applicant is satisfied that he is entitled to use the trade-mark in Canada in association with the wares or services described in the application.

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

...
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 marchandises ou services décrits dans la demande.

[53] This provision has sometimes been relied upon by those opposing the registration of a trade-mark as imposing a duty of good faith on the applicant. That may well be the case in a situation, for instance, where an applicant is simply attempting to appropriate a mark that it knows belongs to another. However, different considerations apply when the issue is really one of confusion. If a trade-mark sought to be registered is not confusing with another trade-mark, no amount of bad faith can make it confusing. Similarly, if a trade-mark sought to be registered is confusing with another trade-mark, good faith or bad faith is irrelevant.

[54] An opponent bears the initial evidentiary burden of proof as to whether the applicant could have been satisfied as to its entitlement to use the trade-mark (*Procter & Gamble Inc., v. Colgate-Palmolive Canada Inc.* (2010), 81 CPR (4th) 343 at paras 28 – 33 CFC)). In the present oppositions, the applicant Lynx filed with the Opposition Board the affidavit of Schram, vice president of Lynx, which stated *inter alia* that Lynx did not bring the application in bad faith (para 8) and never intended to create any confusion (para 10). Schram was not cross-examined, nor did Chamberlain file any affidavit to rebut these statements.

[55] At the hearing before me, Counsel for Chamberlain endeavoured through suggestions and inference to persuade the Court that, nonetheless, Lynx's applications must have been filed in bad faith. Under the circumstances, I am not prepared to follow such suggestions or draw such inferences, in particular since Chamberlain failed to cross-examine or to file relevant evidence of its own.

[56] This matter rests not on "bad faith" but rather on the simple finding of confusion.

Conclusion and Costs

[57] As a result, the two trade-marks which are the subject of the opposed application are confusing with trade-marks as previously registered and used by Chamberlain. These appeals must be allowed and the applications refused.

[58] Ordinarily a successful party would be entitled to costs however, in the present circumstances Chamberlain changed Counsel a few weeks prior to the hearing. Only at the hearing did new Counsel present new written argument, without notice to the Respondent's Counsel. This caused the Court to hear the Applicant's Counsel then adjourn the matter one week to be heard in a city closer to respondent's Counsel and to allow that Counsel to provide an amended written argument. As a result of the costs thrown away, I will not award costs to the Applicant Chamberlain, even though successful.

[59] I will award costs to the Respondent fixed in the sum of \$500.00 for expenditures consequent upon the removal of an affidavit filed by the Chamberlain from the record pursuant to an Order of this Court dated June 7, 2010 for the reasons discussed with Counsel at the hearing.

“Roger T. Hughes”

Judge

Toronto, Ontario
December 20, 2010

FEDERAL COURT
SOLICITORS OF RECORD

DOCKETS: T-2140-09 and T-2141-09

STYLE OF CAUSE: THE CHAMBERLAIN GROUP, INC. v.
LYNX INDUSTRIES INC.

PLACE OF HEARING: Toronto, Ontario

DATES OF HEARING: December 8 and 15, 2010

**AMENDED REASONS FOR
JUDGMENT:** HUGHES J.

DATED: December 20, 2010

APPEARANCES:

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