Federal Court



Cour fédérale

Date: 20180416

Docket: T-712-16

Citation: 2018 FC 408

[UNREVISED CERTIFIED ENGLISH TRANSLATION]

Ottawa, Ontario, April 16, 2018

PRESENT: The Honourable Mr. Justice Grammond

BETWEEN:

THE CLOROX COMPANY OF CANADA, LTD.

Applicant

and

CHLORETEC S.E.C.

Respondent

JUDGMENT AND REASONS

[1] The applicant, The Clorox Company of Canada, Ltd. [Clorox], is appealing a decision by the Registrar of Trademarks [the Registrar], which dismissed its opposition to two applications for trademark registration filed by the respondent, Chloretec S.E.C. [Chloretec]. Clorox holds the registered trademark "Javex" and several other similar trademarks associated with bleach.

Chloretec is applying to register the trademark "Javelo," in both written and visual form, for

made-to-order bleach (in French, "eau de Javel"). The main issue is whether there is confusion between Clorox's trademarks and those of Chloretec. For the following reasons, I am of the view that there is no confusion and that the Registrar was right in dismissing Clorox's opposition. The appeal is therefore dismissed.

I. Facts

- [2] The Registrar's decision contains a detailed statement of facts. I will state only what is essential to the understanding of these reasons.
- [3] Clorox holds the registered trademark "Javex" and many other similar trademarks associated with bleach or various other cleaning products. Some of these trademarks have been registered in Canada since the 1930s. Clorox acquired these trademarks in 2007.
- [4] On January 26, 2012, Chloretec filed an application to register the trademark "Javelo" and the trademark consisting of the word "Javelo" and a design depicting a man who is throwing a javelin. Chloretec began promoting bleach by using its trademarks in the weeks before the application was filed. However, the first sales did not take place until February 2012.
- [5] On March 18, 2013, Clorox filed an opposition to these applications. In support of its opposition, Clorox raised a number of grounds: (1) the "Javelo" trademark is not distinctive within the meaning of section 2 of the *Trademarks Act*, RSC 1985, c. T-13 [the Act]; (2) Chloretec is not the person entitled to registration pursuant to paragraphs 16(3)(a) and (b) of the Act; (3) according to paragraph 12(1)(d) of the Act, the trademark is not registrable; (4) the

application was not consistent with paragraph 30(i) of the Act; (5) the trademark was used before the application was filed, contrary to paragraph 30(b) of the Act; (6) the trademark was used by third parties who do not hold a licence; (7) the trademark leads to confusion with Clorox's trademarks.

[6] After Clorox filed its opposition, Chloretec amended its application for registration to limit its scope to made-to-order bulk bleach.

II. <u>Decision under appeal</u>

- [7] In a decision dated February 22, 2016, a member of the Trademarks Opposition Board [the Board], which acts on behalf of the Registrar, dismissed the opposition. For the sake of convenience, I will refer to this decision as that of the Registrar.
- [8] The Registrar first summarily dismissed some of the grounds of opposition. He held that paragraph 30(i) of the Act was not breached merely because the applicant was aware of the opponent's trademark. With respect to paragraphs 16(3)(a) and (b) of the Act, he concluded that Clorox had not submitted any evidence that its trademarks were used in Canada before 2012. In addition, given that Clorox was basing this ground of opposition on one trademark only and that this trademark had not been registered before 2013, this ground of opposition had to be dismissed. Finally, as for the distinctiveness of the "Javex" trademarks, the Registrar noted that Clorox had not submitted any evidence.

- [9] The Registrar dismissed the ground of opposition based on the use of the "Javelo" trademark by Chloretec before its application was filed. The Registrar found that the use of a trademark solely for promotional or advertising purposes did not amount to use within the meaning of section 4 of the Act.
- [10] The Registrar also dismissed the ground of opposition based on third-party use. The Registrar found that the third parties in question were merely distributors or carriers acting under the direction of Chloretec.
- [11] Finally, with respect to the key issue of confusion, the Registrar weighed the various factors listed in subsection 6(5) of the Act. It found that Clorox's trademarks and those belonging to Chloretec had a low degree of resemblance; that both trademarks were inherently distinctive to a certain extent, but that the "Javelo" trademark had become distinctive to a certain extent due to its use; that Clorox had not submitted any evidence of use of its trademarks, while Chloretec has been using its own trademarks since 2012; that the products offered by both parties are similar; and that no evidence of actual confusion had been submitted. In short, the Registrar saw no confusion, and Clorox's oppositions were dismissed.
- III. Issues, new evidence, and standard of review
- [12] Section 56 of the Act grants a right to appeal the Registrar's decisions to this Court.

 Clorox appealed the Registrar's decision, reiterating all its grounds of opposition.

- [13] On such an appeal, subsection 6(5) of the Act allows the parties to file new evidence. Pursuant to this right, Clorox filed the affidavit of Angela S. Hilt, its Vice President and Corporate Secretary. The purpose of this affidavit is to fill in some of the gaps in Clorox's evidence that were identified by the Registrar.
- [14] In a recent decision, Justice Richard Boivin of the Federal Court of Appeal set out the approach to be taken when new evidence is submitted as follows:

In principle, the standard of review to be applied in an appeal of a decision of the Board is reasonableness. However, when new evidence is adduced on appeal before the judge under section 56 of the Act and the judge comes to the conclusion that the new evidence would have affected the Board's finding of fact or exercise of discretion, the judge must come to his or her own conclusion on the issue to which the additional evidence relates [...].

(Saint Honore Cake Shop Limited v. Cheung's Bakery Products Ltd., 2015 FCA 12 at paragraph 18)

- [15] I am of the view that Ms. Hilt's affidavit introduces new and significant evidence with respect to certain specific questions. In particular, it contains evidence of use of Clorox's trademarks in Canada. This evidence is rather cursory. It, nonetheless, justifies setting aside the Registrar's finding that Clorox had not submitted any evidence of use of its trademarks. However, it does not make it possible to determine the extent of this use nor to assess the extent of the trademarks' acquired distinctiveness.
- [16] Furthermore, Ms. Hilt indicates that two surveys on the "Javex" trademarks were carried out in Canada. In the first case, she merely summarizes some findings of a survey carried out in 2006/2007, which apparently confirm—according to her—that there were significant sales of

Javex products in Canada in 2007. No documents have been submitted to support these statements. In the second case, Ms. Hilt provides some charts that purport to display the results of a survey conducted in 2013 on the awareness of the "Javex" trademarks. Among other things, these charts show the proportion of persons who say they recognize certain trademarks of cleaning products. However, no information is provided on the survey's methodology, nor even on the identity of the firm that conducted it.

- [17] At the hearing, counsel for Clorox asserted that the results of these surveys were not submitted in support of its arguments regarding confusion, but rather of its arguments regarding the awareness of the "Javex" trademarks and their distinctiveness.
- [18] In *Mattel*, the Supreme Court commented on the use of surveys as evidence in trademark disputes:

The more recent practice is to admit evidence of a survey of public opinion, presented through a qualified expert, provided its findings are relevant to the issues and the survey was properly designed and conducted in an impartial manner.

 $[\ldots]$

As to the usefulness of the results, assuming they are elicited by a relevant question, courts have more recently been receptive to such evidence, provided the survey is both reliable (in the sense that if the survey were repeated it would likely produce the same results) and valid (in the sense that the right questions have been put to the right pool of respondents in the right way, in the right circumstances to provide the information sought).

(*Mattel Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, at paragraphs 43–45, [2006] 1 SCR 772) [*Mattel*])

- [19] In this case, Ms. Hilt does not provide any information as to the methodology that was used to conduct these surveys. It is therefore impossible to assess their reliability and relevance to the questions that are at issue here. In fact, such evidence should have been submitted by means of the affidavit of an expert who conducted the survey and who provides sufficient explanations in relation to its methodology. Therefore, I will not consider these two surveys.
- [20] In short, I will review the Registrar's decision on the reasonableness standard. However, when issues related to the use of the "Javex" marks by Clorox are raised, I will assess the evidence myself without receiving deference from the Registrar.

IV. Analysis

[21] I will first analyze the issue of confusion, which is at the crux of this dispute. I will then address the arguments regarding the use of the marks before the application for registration and their use by third parties. Given the conclusion I reach, I will be able to summarily dispose of some other arguments put forth by Clorox.

A. Confusion between the parties' trademarks

[22] The concept of confusion is defined in subsection 6(2) of the Act. Essentially, there is confusion between two trademarks when the use of these two marks for two categories of goods is likely to suggest that these goods are manufactured by the same person. Section 12 of the Act provides that a trademark cannot be registered if it is confusing with a previously registered trademark.

[23] Subsection 6(5) of the Act sets out a detailed list of factors that must be considered to assess whether there is confusion between two marks. Furthermore, in *Veuve Clicquot*, the Supreme Court reiterates that, instead of conducting a detailed analysis, the point of view of a hurried consumer must be adopted:

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.

(Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée., 2006 SCC 23, at paragraph 20, [2006] 1 SCR 824)

- [24] In *Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27, [2011] 2 SCR 387 [Masterpiece], Justice Rothstein of the Supreme Court of Canada held that resemblance is the most important criterion referred to in subsection 6(5) of the Act (at paragraph 49). The other factors would be relevant only where the two trademarks at issue are sufficiently similar. I will therefore consider the factors listed in subsection 6(5), starting with resemblance.
- [25] Two additional comments must be made at this juncture. First, confusion must be analyzed by relying on the registered uses as opposed to the actual use of the trademarks in question (*Masterpiece*, at paragraphs 51–59). Second, the consumer whose point of view must be adopted is not always hurried to the same extent. When faced with valuable goods or nichemarket goods, "*more care will naturally be taken*" by the consumer (*Mattel*, at paragraph 58).

- (1) The degree of resemblance
- [26] No new evidence was filed concerning this issue, which is the most determinative. The Registrar compared both parties' trademarks in terms of the writing, sound, the graphic design, and the ideas suggested and found that they had a small degree of resemblance.
- [27] Clorox affirms that both parties' trademarks are highly similar because they share the same prefix, "Jav-" or "Jave-". It adds that the first part of a trademark is critical in determining the degree of resemblance. However, as I will explain later on, this prefix corresponds to the common noun "eau de Javel" in French, which designates the product. In my opinion, this similarity is insufficient to lead to confusion between the two trademarks.
- [28] The Registrar's finding on the degree of similarity is eminently reasonable. I do not see how a hurried consumer could discern similarities between the two trademarks.
 - (2) The distinctiveness of the trademarks
- [29] Even though the finding on the degree of resemblance is largely determinative, I will analyze the other criteria referred to in subsection 6(5) of the Act, starting with the distinctiveness of the trademarks in question. This distinctiveness can be inherent when a mark, by means of its wording or its design, conveys a distinctive impression. It can also be acquired when the longstanding use of a trademark has made it possible to associate it with a particular product. On this issue, the new evidence concerning the use of Clorox's trademarks is relevant, so I will carry out my own assessment.

- [30] As for the inherent distinctiveness of both parties' trademarks, the starting point of the analysis, in my opinion, is that the two sets of trademarks are derived from the French expression "eau de Javel," a common noun that is translated as "bleach" and that designates the product in issue. Although counsel for Clorox claimed that the mark "Javex" is a coined term, this is true only to a limited extent. Indeed, the word "Javex" is composed of a prefix derived from the French common noun "Javel," which designates the product, to which the letter "x" was added. The same is true of the trademark "Javelo." As a result, I find that both of the parties' trademarks possess limited inherent distinctiveness.
- [31] A striking analogy can be drawn between this case and one recently decided by my colleague, Justice René LeBlanc: *Assurant, Inc. v. Assurancia, Inc.*, 2018 FC 121 [*Assurant*]. The matter consisted of determining whether there was confusion between the trademarks "Assurant" and "Assurancia," both being used in the context of the insurance industry. Justice LeBlanc found as follows:

... I see no basis to interfere with the Board's conclusion respecting the inherent distinctiveness of the trademarks at issue. The Board found that both trademarks had a low degree of inherent distinctiveness as their main and common feature — "ASSURAN" — was highly suggestive of the insurance field when these trademarks are used in association with the parties' services.

(Assurant, at paragraph 50)

[32] In that case, the opponent had also pleaded that the mark "Assurant" was distinctive because the French word "assurance," which is usually translated into English as "insurance," does not typically call to mind the insurance industry from the point of view of Anglophone consumers. Justice LeBlanc rejected this argument, noting that, from a practical point of view,

this would allow the exclusive use of words of the French language and prohibit the creation of new trademarks that are based on such words (*Assurant*, at paragraph 57). The same can be said about the trademark "Javex." In this respect, I refer to what the Supreme Court said in *Mattel*: "No person is entitled to fence in the common of the English or French languages and words of a general nature cannot be appropriated over a wide area" (*Mattel*, at paragraph 75).

- [33] As for the distinctiveness acquired by the "Javelo" trademark, the Registrar found that a company affiliated with Chloretec had [TRANSLATION] "continuously promoted the Goods associated with the Mark since September 29, 2011" and found that the "Javelo" trademark had acquired distinctiveness. Even though Clorox now claims that the evidence supporting the Registrar's finding was insufficient, I see no reason why I should deviate from this conclusion.
- [34] The Registrar refused to acknowledge that the "Javex" trademarks have acquired distinctiveness because no evidence of their use had been submitted to him. Addressing this gap is the purpose of Ms. Hilt's affidavit. This affidavit establishes that Clorox has been selling Javex products in Canada on a continuous basis for at least ten years. I am prepared to deduce that the "Javex" trademarks have acquired distinctiveness over the years. However, I cannot assess the extent of this distinctiveness nor compare it to the distinctiveness of the "Javelo" trademark. Furthermore, Ms. Hilt's affidavit also establishes that, since 2013, Clorox has sold bottles of bleach that mainly bear the "Clorox" trademark. The "Javex" trademark is displayed only in a very discreet way on the back of the bottle. Therefore, the distinctiveness acquired by the "Javex" trademark may be on the decline.

[35] All in all, and considering the new evidence, I believe that this factor does not clearly support a finding of confusion.

(3) The period of use

- [36] The length of time during which a trademark has been in use is an additional factor that goes to distinctiveness (*Mattel*, at paragraph 77). On this subject, the Registrar noted that Clorox's trademarks have been registered since 1937 (for "Javalin") and 1945 (for "Javex"), but he noted the lack of evidence of use of these trademarks. The Registrar therefore found that this factor weighed in favour of Chloretec, which proved that its trademarks have been in use since 2012.
- [37] Since Clorox filed evidence that its "Javex" trademarks have been in use over the past ten years, the Registrar's finding cannot be supported. Clearly, Clorox has made use of its trademarks over a longer period than Chloretec has, even though the only evidence before me concerning the period prior to 2007 is a statement from Ms. Hilt, according to which—to her knowledge—Colgate-Palmolive, which sold the "Javex" trademarks to Clorox in 2007, has used these trademarks in Canada since at least 1970.
- [38] This being said, Ms. Hilt's affidavit does not enable me to assess the intensity of this use and, consequently, to reach conclusions regarding acquired distinctiveness. Thus, this factor does not clearly support the conclusion that there is confusion.

- (4) The nature of the goods and the nature of the trade
- [39] With regard to these two criteria, the Registrar found that the products associated with the two trademarks are the same. The Registrar refused to agree with Chloretec's arguments to the effect that the products of the two parties are intended for different markets. In this respect, the Registrar ruled that Chloretec's attempt to narrow the scope of its application for registration was not relevant. What matters is that, according to the Registrar, the registration of the "Javex" trademarks does not in any way restrict their use or the market the products are intended for. Therefore, there may be an overlapping between the two trademarks, and this favours a finding of confusion.
- [40] These findings are completely reasonable. Furthermore, they are compatible with the decisions of the Supreme Court in *Masterpiece*.

(5) Summary

[41] We are now returning to the basic issue: Would a hurried consumer who only vaguely remembers the "Javex" trademark conclude that a product bearing the "Javelo" trademark was made by the same company? The most important factor is the degree of resemblance between the two trademarks. As the Registrar said, this degree of resemblance is low. The other factors set out in subsection 6(5) of the Act paint an unconvincing picture. Clorox has not proven that the "Javex" trademarks have inherent or acquired distinctiveness to such a degree that it leads to a finding of confusion. The fact that the products associated with the two trademarks are the same

is not sufficient to offset the low degree of resemblance. All in all, I find that there is no confusion between the parties' trademarks.

- B. *Use prior to the application for registration*
- [42] Clorox also objects to the registration of the "Javelo" trademarks, claiming that Chloretec used these marks before the date on which the application was filed, namely January 26, 2012. This ground derives from paragraph 30(b) of the Act, which requires the applicant to state the date of first use of the trademark. According to Clorox, Chloretec promoted the "Javelo" trademark in various publications or during trade shows prior to January 26, 2012.
- [43] The Registrar dismissed these arguments. It noted that the use of a trademark for promotional purposes is not deemed to be "used" within the meaning of section 4 of the Act and, consequently, cannot constitute a ground of opposition based on paragraph 30(b). The Registrar carefully analyzed the evidence and concluded that none of the sales of Chloretec products had taken place before January 26, 2012.
- [44] No new evidence was submitted in this respect. The Registrar's decision is reasonable
- [45] I will add that I am far from certain that it flows from paragraph 30(b) of the Act that the registration must be refused if the opponent is able to show the trademark was used to a certain extent before the date stated in the application. This seems to be the result of some of the Registrar's decisions, but I have not been referred to any decision of our Court that sets out such

a rule. Given my conclusions as to the facts, I do not have to determine whether such a rule exists.

- C. Distinctiveness and use by third parties
- [46] Clorox also claims that the "Javelo" trademarks lost their distinctiveness due to their use by third parties who do not hold licences, which would contravene section 50 of the Act.
- [47] However, as the Registrar noted, the third parties in question are actually entities related to Chloretec that distribute and transport the product. The Registrar also found that the resolutions presented confirmed that a licence was granted to UBA inc., which acts as a distributor.
- [48] No new evidence was submitted in this respect. The Registrar's decision is reasonable
- D. Other issues
- [49] Clorox put forward some other arguments. However, these arguments all rely on a finding of confusion. It is unnecessary to deal with them any further.
- [50] The appeal of the Registrar's decision is therefore dismissed.

JUDGMENT

THIS COURT'S JUDGMENT is that the appeal is dismissed, with costs.

"Sébastien Grammond"	
Judge	

Certified true translation This 15th day of November 2019

Lionbridge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-712-16

STYLE OF CAUSE: THE CLOROX COMPANY OF CANADA, LTD. v.

CHLORETEC S.E.C.

PLACE OF HEARING: TORONTO, ONTARIO

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